



USI Consulting Group  
95 Glastonbury Boulevard  
Suites 102, 406  
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www.usi.com  
Tel: 860.633.5283

February 18, 2025

Christine Dias  
Director of Human Resources  
741 Col. Ledyard Highway  
Ledyard, CT 06339

Re: Plan Document Services for the Town of Ledyard Pension Plan

Dear Ms. Dias:

The following outlines the provisions of this Service Engagement Agreement between USI Consulting Group, Inc. ("USICG") and the Town of Ledyard. ("Ledyard").

USICG agrees to provide plan document services to Ledyard related to the Town of Ledyard Pension Plan (the "Plan"). The project will be conducted as described in the Project Overview attached and incorporated herein. The progress of this project will be communicated periodically and incrementally through meetings with USICG's assigned staff and designated representatives of Ledyard.

Ledyard agrees to pay USICG based on the professional fees as outlined in the Estimated Timing and Fees section in the Project Overview. The fees will be invoiced periodically as phases of the project are completed.

This Service Engagement Agreement adopts and incorporates applicable terms and conditions indicated in APPENDIX A (Ledyard is referred to as the "Company" in Appendix A). It is understood and agreed that USICG and its consultants will render its services in a consulting capacity only and will not act as a fiduciary of the Plan, nor render any legal, accounting, or tax advice.

Please feel free to contact Frederica Daniels if you would like additional information or if you have any questions. To commence arrangements for our services, please sign this acceptance as acknowledgement, and return a copy of this letter to USI Consulting Group.

**Accepted by:**  
Town of Ledyard

By: \_\_\_\_\_

Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Authorized by:**  
USI Consulting Group, Inc.

By: \_\_\_\_\_

Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



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## **Plan Document Service Project Overview**

The following plan document services will be provided:

- Review the existing plan documents and any corresponding amendments, summaries, etc.
- Assess and determine current level of document compliance in accordance with IRS Revenue Procedures
- Where necessary, draft plan amendments (or plan restatement) to bring plan current with plan practices and current legislation/regulations
- If requested, draft a summary plan description
- Where necessary, prepare proposed correction(s) in accordance with IRS Voluntary Correction Program (VCP) under the Revenue Procedures

### Plan Documentation

Ledyard will provide the following plan documentation to USICG:

- Most current signed plan document
- All signed amendments to the current plan document
- Most recent IRS favorable Determination Letter
- Most current summary plan description

### Estimated Timing and Fees

We estimate completion of the draft of the plan document within 3 to 4 months. The costs to provide you with the legal research, discussions and documentation listed above is estimated to range between \$12,000 to \$15,000. This will include the restatement, preparation of the plan summary, and the actuarial review.

The range of fees illustrated above varies depending on the extent to which provisions under the qualified plan must be discussed and refined. The number of meetings and discussions that might be required to finalize such provisions can also vary significantly from one organization to another based on our experience. We will track our time and charges and will not exceed the upper end of this range unless authorized in advance by Ledyard.

Also note that if the Plan does not currently have an IRS Determination Letter, we would generally recommend submitting the Plan to the IRS to obtain one. If you decide to submit the Plan to the IRS, additional fees are required for the preparation and submission of Determination Letter filing to the IRS - \$2,500 for the preparation and \$2,700 for the IRS filing fee.

In the event a review of the Plan's documentation reveals that all or some of the Plan documents were, in fact, not timely adopted, the Internal Revenue Service (IRS) offers the Employee Plans Compliance Resolution System (EPCRS) as a voluntary means for correction and compliance. The IRS advocates that plan sponsors make voluntary and timely corrections of any plan document failures. Under EPCRS, voluntary compliance is accomplished through the voluntary correction program (VCP), whereby the plan sponsor pays a limited fee and requests IRS approval for the correction.



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In this regard, we recommend that you correct any Plan document failures under EPCRS in order to maintain the tax-favored status of the Plan. USICG would work with you to fully correct any document compliance issues. We have been successful in obtaining IRS approval of correction methods on a proactive voluntary basis, helping our clients avoid the penalties that can be assessed when document failures are discovered by the IRS upon audit.

**Estimated Hours to Prepare IRS Correction for Document Compliance (at blended hourly rate \$365/hr):**

- The estimation of time for these services will be provided upon the determination of necessity to prepare a Voluntary Correction Program (VCP) application for submission to IRS.
- Please note USICG's fees do not include the IRS submissions fees for filing the VCP

**IRS USER FEE PAYABLE TO U.S. TREASURY**

**VOLUNTARY CORRECTION PROGRAM APPLICATION USER FEE** - The compliance fee for a submission under VCP for Qualified Plans and 403(b) Plans is determined in accordance with the following chart, based on the amount of assets in the plan.

<b>Amount of Plan Assets</b>	<b>Compliance Fee</b>
\$500,000 or less	\$1500
\$500,001-\$10M	\$3000
Over \$10M	\$3500

*Under ERISA, consulting services for plan corrections are considered settlor fees and cannot be paid by the plan assets; they must be paid by the Employer. Government-imposed fees, including but not limited to fines, penalties, and filing submission fees must also be paid by the Employer, and cannot be paid from plan assets.*

It is understood and agreed that USICG and its consultants will render its services in a consulting capacity only and will not act as a fiduciary of the plan, nor render any legal, accounting, or tax advice to the plan sponsor.



## **APPENDIX A**

**Additional Terms:** The following terms and conditions shall apply to Service Engagement Agreement (Agreement):

- a. USICG is not, by its performance of services in accordance with this Agreement, a plan administrator or other fiduciary to Company's benefit Plan or plans, unless otherwise provided under applicable law, including the Employee Retirement Income Security Act of 1974 ("ERISA"), where applicable, as amended, and the rules and regulations thereunder. USICG does not provide tax, investment or legal advice. In providing services under this Agreement, Company acknowledges USICG is not a Plan fiduciary, trustee, administrator, investment advisor, or attorney. Company acknowledges that USICG shall not be required to review any action, or failure to take action, prescribed by Company.
- b. USICG shall not exercise discretion with respect to the Plan(s) or any other plan of the Company. USICG shall assume no discretionary control for the management of any Plan(s) or Plan(s) assets and shall assume no responsibility or liability for the administrative operations or investments of any Plan(s) or associated trust. USICG is performing ministerial services under this Agreement in accordance with the direction of Company. It is Company's responsibility to provide direction that is in accordance with the terms of Company's Plan(s), Plan(s) policies and guidelines maintained by Company and applicable law.
- c. Company shall retain full responsibility for the terms of the Plan(s) and its compliance with all legal and regulatory requirements now or hereafter applicable to it, except to the extent such responsibility has been specifically delegated to, and accepted by, USICG in writing as provided under the terms of this Agreement.
- d. Company shall retain final authority over the methodology, assumptions, processes and data for making all payroll, benefit and similar calculations and determinations regarding the Plan(s) and will review and, to the extent appropriate, modify any determination by USICG with respect to benefits under the Plan(s).
- e. Company shall furnish to USICG all documentation required or reasonably requested by USICG for the performance of USICG's duties under this Agreement, including any requirements set forth in herein. Company shall provide USICG with accurate and timely information for the performance of such duties. USICG shall give adequate and timely notice to Company of required documentation.
- f. Where applicable, Company shall designate a person or persons to assume all responsibilities of Company or Plan Administrator as defined under Section 3(16) of ERISA, the Internal Revenue Code of 1986 ("Code") or other applicable laws as they relate to the terms of this Agreement. USICG shall be entitled to rely exclusively on the instructions and representations of such person or persons in discharging its responsibilities hereunder.
- g. USICG will comply with its respective obligations arising from data protection and privacy laws in effect from time to time to the extent applicable to this Agreement and the services to be provided hereunder. These obligations may pertain to information relating to an identified or identifiable individual that is subject to applicable data protection, privacy or other similar laws ("Personal Information"). Any use or processing by USICG of Personal Information supplied by or on behalf of the Company in connection with the services to be provided hereunder shall be done solely on the Company's behalf. USICG shall handle such Personal Information as reasonably necessary for the purpose of providing the services hereunder and shall not handle such Personal Information in a manner inconsistent with the terms of this Agreement. USICG also confirms that it has taken appropriate technical and organizational measures intended to prevent the unauthorized or unlawful processing of Personal Information and the accidental loss or destruction of, or damage to, Personal Information.



Each Party, (USICG and the Company), is likely to disclose information (“Disclosing Party”) to the other (“Receiving Party”) from time to time in the course of the provision of the services hereunder, which is marked or designated as confidential or proprietary at or prior to disclosure (“Confidential Information”). The Receiving Party will not disclose such Confidential Information to any person other than in connection with the provision of the services or as otherwise provided for in this Agreement. This restriction does not apply to information that: (i) the Receiving Party must disclose by law or legal process, provided that the party receiving a legal subpoena, or other lawful process, promptly notifies the other party (to the extent permitted by applicable law); (ii) is either already in the public domain or enters the public domain through no fault of the Receiving Party; (iii) is available to the Receiving Party from a third party who, to the Receiving Party’s knowledge, is not under any non-disclosure obligation to the Disclosing Party; or (iv) is independently developed by or for the Receiving Party without reference to any Confidential Information of the Disclosing Party.

- h. USICG shall be entitled at all times and for all purposes to reasonably rely on the accuracy of Company-provided data of whatever type and upon the representations of Company. USICG is an independent contractor and not a joint venturer or partner, agent or employee of Company. Nothing contained in this Agreement shall permit either party to conduct business in the name of or on account of the other party, including incurring any expense, debt, obligation, liability, tax or responsibility, or to act on behalf of or bind the other party in any manner, except for USICG’s actions on behalf of Company in the course of fulfilling its duties under this Agreement.
- i. The Company agrees that, except to the extent (if any) prohibited by law, the Company will indemnify and hold harmless USICG, its shareholders, directors, officers, employees and agents, from and against any and all claims and/or lawsuits brought by any person, entity or governmental authority and from and against any and all judgments, settlements, costs, penalties, and expenses (including reasonable attorneys' fees and expenses in connection with this Agreement or any function of USICG hereunder, except to the extent such claim, lawsuit, etc. resulted from or arose out of criminal conduct, negligence or fraud on the part of USICG or any of its directors, officers or employees (acting alone or in collusion with others) in connection with this Agreement or any function of USICG hereunder, unless such claim or lawsuit arose from a wrongful act or wrongful omission which act or omission, the Company, pursuant to its rights under this Agreement, specifically directed USICG to engage in.

USICG agrees that, except to the extent (if any) prohibited by law, USICG will indemnify and hold harmless the Company, its directors, officers, and employees from and against any and all claims and/or lawsuits brought by any person, entity or governmental authority and from and against any and all judgments, settlements, costs, penalties, and expenses (including reasonable attorneys' fees and expenses) resulting from or arising out of criminal conduct, negligence or fraud on the part of USICG or any of its directors, officers, or employees (acting alone or in collusion with others) in connection with this Agreement and its performance hereunder, or any function of USICG hereunder, except to the extent such claim or lawsuit arose from a wrongful act or wrongful omission which act or omission, the Company, pursuant to rights under this Agreement, specifically directed USICG to engage in or which arose from criminal conduct, negligence or fraud on the part of the Company or any of its directors, officers or employees (acting alone or in collusion with others).

- j. Except for the parties’ respective indemnification obligations, violations of applicable law or a breach of confidentiality, neither party’s liability, in contract, tort (including negligence) or any other legal or equitable theory, arising out of or in connection with this Agreement, shall (a) exceed the fees paid by Company to USICG pursuant to this Agreement in the twelve (12) month period prior to the date upon which the liability arose, or (b) include any indirect, incidental, special, punitive or consequential damages, including without limitation loss of profits and loss of savings or revenue, even if such party has been



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advised of the possibility of such damages. The limitations set forth herein shall apply notwithstanding the failure of any limited remedy of its essential purpose.