

DATE: 07/05/2023

NON-CONSTRUCTION CONTRACT SOLICITATION NOTICE

MTA- HQ IS NOW ADVERTISING FOR THE FOLLOWING:

SSE #: 15888

OPENING/DUE DATE: 07/27/2023

TYPE OF SOLICITATION: RFP

DOCUMENT AVAILABILITY DATE: 07/05/2023

SOLICITATION TITLE: Administrative and Recordkeeping Services for the IRS Code Sect 125 Flexible Spending Account (FSA)

Description: The MTA operates a voluntary tax-favored program for eligible employees pursuant to Section 125 of the Internal Revenue Code. The successful proposer must be prepared to provide all administrative and record keeping services required for the successful operation of the Section 125 Flexible Spending Account (FSA) plan. The MTA FSA Plan commenced in January 1990. The MTA FSA Plan is made up of two sub-plans, covering: (1) the represented employees of the NYCT, and (2) all other employees of MTA and its constituent Agencies, both represented and non-represented, with the exception of employees of MTA Bus, where only non-represented employees are currently eligible. The sub-plans have annual election limits of \$3,050 for Health Care and \$5,000 for Dependent Care expenses; the minimum allowed election is \$100. At present, the Plan is offered to approximately 72,000 employees across the MTA and its Constituent Agencies. Newly eligible employees may enroll on the 91st day of employment. MTA's Tax Favored Programs department will be responsible for MTA's management of the FSA Plan and oversight of the FSA administrator.

Funding: 100% MTA
Months

Goals: N/A

Est \$ Range: \$1M - \$5M

Contract Term: 60

****PLEASE SEE THE ATTACHED SCOPE OF WORK FOR ADDITIONAL INFORMATION****

(X) PRE-BID CONFERENCE

DATE: 07/14/2023

TIME: 10:00AM

Virtual via Microsoft Teams- Please contact the assigned procurement representative at ramzi.bashjawish@mtabsc.org to register

() SITE TOUR N/A

DATE:

TIME:

PLACE:

FOR MORE INFORMATION, PLEASE CONTACT:

PROCUREMENT REPRESENTATIVE: Ramzi Bashjawish

EMAIL:
ramzi.bashjawish@mtabsc.org

ATTACHMENT A

SCOPE OF SERVICES

FOR

ADMINISTRATIVE AND RECORDKEEPING SERVICES

FOR THE INTERNAL REVENUE CODE SECTION 125

FLEXIBLE SPENDING ACCOUNT PLAN (FSA)

OF

THE METROPOLITAN TRANSPORTATION AUTHORITY,

ITS SUBSIDIARIES AND AFFILIATES

(THE “MTA”)

I. INTRODUCTION

The MTA operates a voluntary tax-favored program for eligible employees pursuant to Section 125 of the Internal Revenue Code. The successful proposer must be prepared to provide all administrative and record keeping services required for the successful operation of the Section 125 Flexible Spending Account (FSA) plan.

The Metropolitan Transportation Authority (MTA) is a New York State public authority that, through MTA Headquarters (“MTAHQ”) and its subsidiary and affiliated Agencies (“Constituent Agencies”), provides regional mass transit by subways, buses, and commuter rail in New York City, its northern suburbs, Long Island, southwestern Connecticut and, through an arrangement with New Jersey Transit, provides commuter rail services to Rockland and Orange Counties in New York. In addition, an MTA affiliate operates the toll bridges and tunnels within New York City.

Constituent Agencies of the MTA include:

MTA Headquarters (MTAHQ), the central coordinating body of the MTA and its constituent agencies. MTAHQ includes the MTA police department (MTAPD), and the MTA Business Service Center (BSC), which provides finance and human resources transactional services. for all of the Constituent Agencies.

New York City Transit (NYCT), the affiliate which operates the public subway and bus system within New York City;

Long Island Rail Road (LIRR), the subsidiary which operates commuter rail lines between New York City and Long Island;

Metro-North Commuter Railroad (MNCR), the subsidiary which operates commuter rail lines between New York City and suburban New York counties to the north and west of New York City, and, pursuant to agreement with the State of Connecticut, southwestern Connecticut;

Bridges and Tunnels (B&T), the affiliate which operates toll bridges and tunnels within New York City;

Staten Island Rapid Transit Operating Authority (SIRTOA), the subsidiary which operates the train system on Staten Island;

Construction and Development Company (MTA “C&D”), the subsidiary which manages and oversees major capital construction projects of all agencies.

Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA), the NYCT subsidiary which operates NYCT's bus system within Manhattan and Bronx;

MTA Bus Company, the subsidiary which operates bus service formerly operated by certain private bus companies primarily serving the outer boroughs of New York City.

SECTION 125 FLEXIBLE SPENDING ACCOUNT PLAN: DEPENDENT CARE AND HEALTH CARE

The MTA FSA Plan commenced in January 1990. The MTA FSA Plan is made up of two sub-plans, covering: (1) the represented employees of the NYCT, and (2) all other employees of MTA and its constituent Agencies, both represented and non-represented, with the exception of employees of MTA Bus, where only non-represented employees are currently eligible. The sub-plans have annual election limits of \$3,050 for Health Care and \$5,000 for Dependent Care expenses; the minimum allowed election is \$100. At present, the Plan is offered to approximately 72,000 employees across the MTA and its Constituent Agencies. Newly eligible employees may enroll on the 91st day of employment.

MTA's Tax Favored Programs department will be responsible for MTA's management of the FSA Plan and oversight of the FSA administrator.

For the 5 plan years 2018 through 2022, the total average number of participants in the sub-plans was 6,375, with an average of \$10.7 million elected for Health Care reimbursements annually and \$2.2 million elected for Dependent Care reimbursements annually.

The current administrator of the Plan will provide FSA Plan services:

- through year-end 2023,
- the extension for applications for reimbursements permitted by the IRS until March 15, 2024, and
- the financial reconciliation period through June 30, 2024

This RFP will provide for a new five-plan year contract for administering the FSA Plan for eligible employees of MTA and its constituent Agencies. MTA currently anticipates that the contract will cover the 2024 plan year through 2028 plan year

II. SCOPE OF WORK

A. ADMINISTRATIVE SERVICES

The Administrator (which is the firm that will be awarded this Contract) will provide the following services for the FSA Plan:

1. Administrator must maintain a website, as well as an Interactive Voice Response (IVR) System, that enables participants to access their plan specific information and effectuate paperless enrollment. The website will also provide general information about the Plan based on its organization, structure, and methods of operation, and, through password protected access, information about the specific participant's participation in the Plan.
2. Administrator must also administer enrollments and claim form submission via fax or website.
3. Establish and maintain a toll-free number for participant inquiries.
4. Establish and maintain a web site for participant inquiries.
5. Maintain all participant transactions by MTA Business Service Center employee ID number.
6. On a quarterly basis, monitor contributions and check for compliance with annual limits.
7. The Constituent Agencies have approximately 25 payrolls per month. The MTA gathers participant contribution data from each agency for each payroll and transmits the combined data to the administrator weekly. The administrator must provide separate reports for the participants based on the agencies' weekly or bi-weekly payrolls.
8. Maintain separate participant records for each plan year, which includes an extension into each following calendar year up to March 15 and the reconciliation period through June 30.
9. Produce and update forms for the administration of the Plan, including but not limited to the following for FSA:
 - a. For payment of a claims, the Administrator must make available to each participant and spouse if applicable, at no cost, the option for payment of a claim by direct reimbursement to the participant via check or ACH direct deposit, and participant direct payment to the service provider using a debit card at the point of sale. The debit cards must be valid for use for both Health Care and Dependent Care.
 - b. Qualifying Change Form(s) (FSA)
 - c. Reimbursement Request Form(s) (FSA)
 - d. Create new and revised forms as needed based on changes in applicable business processes and/or the law, for use by the participants and agencies
10. The provider must develop and by October 1 of each calendar year, design and implement a marketing plan for the next Plan year.

11. Subject to MTA review and approval, produce, update and distribute electronic and print media marketing materials; this includes providing literature and information packages to all potential participants.
12. Produce professional, specialized information videos for the plan to be used during the pre-enrollment and enrollment period by all the constituent Agencies. The videos will be used to educate employees about the benefits of the plans. The video must be specific to the MTA but may be developed based on a standardized design.
13. Review changing requirements of Federal, state and local tax law and regulations and notify the MTA of legal and accounting requirements for the implementation of such changes. Subject to MTA's approval, design and implement revisions to the administrative and record keeping services as necessary to comply with changes in the law or regulation.
14. Prepare and file the required annual tax filings, if any, with the IRS and any other applicable tax authorities and any other governmental regulatory reports on the MTA FSA Plan.
15. Recommend changes and/or additions to the MTA program that would benefit eligible employees and, as authorized and approved by MTA, implement changes and additions.
16. Report at least semi-annually on the status of the FSA Plan and future legislation that may impact the plan.
17. Administrator is required to submit the following on a yearly basis:
 - a. A copy of the firm's audited financials for the prior three (3) years, the current year and
 - b. A copy of the firm's latest SAS 70 or successor and HIPAA Compliance report including compliance with National Identification Provider (NIP) requirements.
18. The Administrator is required to make claims payments by direct deposit or US mail promptly as reasonably possible.
19. All services, including data storage and transmission, and backup locations,
 - a. shall be performed from locations within the United States and
 - b. in compliance with the MTA' Information Technology Security Requirements and Terms and Conditions, which are specified in the attached Cyber Security Requirements and Terms & Conditions (Attachment L)_____

20. All services shall be performed in a manner that is compliant with the Americans with Disabilities Act and all other applicable Federal, State and local laws and regulations.

B. ADMINISTRATIVE SUPPORT

The procedures to securely transmit data and wire transfer funds will be based on the Administrator's recommendations that are compliant with MTA practices and procedures, as negotiated with and approved by the MTA. Any changes to the MTA approved data transmission process and/or procedures for wire transfer of funds are subject to the MTA's prior approval. The Administrator must provide the MTA with written notification and lead-time that is sufficient to enable the MTA to schedule and implement the required changes. All procedures including any changes to data transmissions **MUST** be PeopleSoft compatible. Administrator's Administrative Support must include a team consisting of an Account manager at least one other employee who assigned to the MTA account.

C. SECTION 125 FSA PLAN RULES AND PROCEDURES

The Administrator will operate the FSA Plan under the following rules and procedures, and in compliance with Section 125 of the Internal Revenue Code:

1. ENROLLMENTS:

- a. Enrollment via IVR, Website and Fax.
- b. Enrollments are verified for accuracy and individual accounts (Health Care and/or Dependent Care) are established on a computer system.
- c. For each participant who enrolls, a confirmation number **MUST** be sent by email or letter to the participant and electronically to the MTA.
- d. FSA participants may enroll and elect a deferral amount once per year during the annual enrollment period for the following plan year, or under a qualifying change in status as established by the IRS. New employees may enroll and elect a deferral amount within 30 days of employment for the current plan year. However, the plan effective date for these new employees will be their 91st day of employment.

2. DEFERRAL AMOUNTS:

- a. Participants may elect to contribute up to \$ 3,050 annually for Health Care and \$5,000 annually for Dependent Care accounts, subject to adjustment by the MTA in accordance with IRS rules and regulations.
- b. A participant may make a change during the calendar year only in the case of a Qualifying Change in accordance with IRS regulations. The Qualifying Change Forms will be sent by participants to the MTA Tax Favored

Programs Department. The MTA will, in turn, implement the changes in the vendor website and payroll system.

3. CLAIMS:

- a. At the participant's choosing, a participant may use a debit card for eligible expenses or submit a Reimbursement Request Form with an EOB (Explanation of Benefits) or proof of payment in order to receive reimbursement from the Health Care FSA. Participants may file a claim via the website, using a mobile claim submission or file a paper form via fax or regular mail. In the case of a participant whose eligibility requires a letter of Medical Necessity, only ONE such letter will be necessary to establish any future claims by based on the medical necessity. Claims must be evaluated and processed by the Administrator within three (3) working days after receipt of the claim by the Administrator.
- b. A participant must submit a Reimbursement Request Form along with the dependent care provider's Social Security Number, Federal Tax Identification Number or non-profit equivalent in order to be reimbursed from the Dependent Care FSA.

4. REIMBURSEMENTS:

- a. For paper or electronic claims, reimbursements to participants must be made within three (3) working days of receiving a completed claim form. At the participant's discretion, reimbursements are to be made either by check, or direct deposit to their checking or saving account, or use of an Administrator provided debit card.
- b. The Administrator and the MTA shall establish a cut-off date for FSA reimbursements for the prior year. The Administrator must maintain and provide dual year disbursement transactions and reports.

5. REPORTS:

The Administrator shall provide the following reports when needed:

- a. Wire Verifications – the Administrator must email the MTA verification of receipt of the weekly wire transfer as well as the weekly participant contribution files, by agency, with number of participants and dollar amount for each agency.
- b. FSA Employer Statement (Monthly) – Consists of a summary of activity for each FSA account, including all deposits and disbursements made to and from each FSA by category and type for all employees, grouped by agency or sub-agency.

- c. FSA Employer Dependent Care Summary Report (Monthly) - Details all deposits and disbursements made to and from each Dependent Care FSA by employee name.
- d. FSA Employee Statement (quarterly) - Provides each employee with a summary of transactions and his/her current balance. It summarizes quarterly account activity, including participant deposits and all disbursements.
- e. FSA Maintenance Summary Report (Monthly) – Details of all FSA health care and dependent care status election and summary of all additions or deletions to the original dollar elections, by MTA Agencies or sub-Agencies.
- f. 24/7 secure Online Access by MTA Administrators, certain managers and staff to On-Demand FSA Enrollment, Change, Payroll, Claims, Reimbursement and Forfeiture Reports.
- g. FSA Enrollment/Reconciliation Reports – Provide this report to MTA Administrator within 5 business days of the close of the open enrollment period.

6. CONTRACTOR RECORDS RETENTION AND TRANSITION RESPONSIBILITIES

Upon expiration or termination of the Contract, Contractor shall continue to provide such services and transition services to MTA and the participants, as are required or customary.

III. TECHNICAL ENVIRONMENT

A. ENVIRONMENT

1. MTA maintains various computer platforms, consisting of IBM mainframes z/OS1.9, HP-UX (11i) & Sun UNIX Windows 2000 & 2003, MTA has standardized on the use of Oracle 10G for database. MTA currently uses FTPS SSL/TLS for the mainframe and SFTP, FSTP and SSL for File Transfer and (or) to encrypt all file transfer.
2. Connections to the MTA environment must be restricted to the Administrator's specified IT employees

B. APPLICATION INTERFACE

1. MTA utilizes Oracle's PeopleSoft HRMS Version 9.2, SP1 People Tools 8.48 rel 13 Oracle 10G HP-UX

2. The Administrator, at minimum must be compatible with PeopleSoft version 9.2. and provide any necessary changes to the interfaces if and when the MTA upgrades to a newer version of PeopleSoft.
3. The Proposer must have the ability to accept a full employee file from the MTA once a year, preferably in either a comma delimited text file, csv file or a Microsoft Excel File.

C. DATA TRANSMISSIONS AND DATA GENERALLY

1. All data communications will utilize **https** application Web services or Web portals
2. Inbound and outbound transmissions, connections must be encrypted in transit and leverage a commonly used protocol (i.e., SFTP/ OpenSSH/SSL) or other MTA approved protocol. A 128-bit key is the minimum NYS encryption standard required for sensitive data, including but not limited to PPSI, in transit.
3. **PPSI (Personal, Private Sensitive Information)** All data that contains or potentially contains personal, private or other sensitive information, such as but not limited to name, social security number, date of birth, address, telephone number and email address, and claims information, must always be protected and encrypted at rest and in transmission.
4. The Administrator must have the ability to receive weekly/biweekly payroll and eligibility files from the MTA. Upon receiving the files, the Proposer *shall* send a confirmation file with records count and total amount back to MTA. Please include a full explanation of your procedures for processing the files received.
5. Upon receiving the files, the Contractor must, within 24 hours, electronically transmit back to MTA a confirmation file transfer with records count and total amount.
6. The Contractor must create files containing all changes made by Participants via the Internet or IVR and transmit it to the MTA on regular basis (weekly or biweekly). The transmission must be performed via FTPS or SFTP SSL encryption or another acceptable encryption protocol.

D. WEB SERVICES

1. MTAHQ utilizes Oracle ADF/SOA, Java for most of their IT solutions The MTA is currently using a Business Service Center Oracle ***PeopleSoft 9.2 environment.***