

Peace of Mind® Extended Service Plan Terms, Conditions and Limitations

Thank you for purchasing Peace of Mind. We appreciate the opportunity to serve you! The Peace of Mind® Extended Service Plan (the "Plan") is offered by HRB Tax Group, Inc. and its subsidiaries' franchisees ("Block"). The Plan is available only at participating Block offices at the time your return is completed or over the phone within 30 days after your return is accepted by the IRS, but no later than October 31st of the year of the return due date. The Plan is separate from, and in addition to, the H&R Block Guarantee that pays penalty and interest resulting from an H&R Block error in tax preparation.

The Plan is effective when paid for and signed by you, and cannot be transferred by you to others. Subject to the exceptions noted below, the Plan provides you with the following benefits with respect to the individual federal and any individual state or local returns prepared and paid for on the date of this agreement.

The Plan applies only to filed and accepted original individual U.S. resident tax returns prepared by Block for the year of the return and for which the balance due to Block has been paid. **You represent to us that you have reviewed the items on your return to ensure it includes all of your sources of income**, and that items or issues on such returns have not been, or are not currently, under examination by tax authorities as of the date you pay for the Plan or the date any unpaid balance is paid, whichever is last.

If your return is audited, Block will provide you with a qualified person (but not an attorney) to represent you before the tax authority should such tax authority question the accuracy of your return.

If your tax liability increases as a result of an error in tax preparation and the error is discovered by you, your representative or a tax authority, during the period of three years from the filing deadlines for such returns, not including extensions, Block will pay you for such taxes up to a cumulative total of \$6,000 for all such returns, subject to the terms and conditions detailed below. Any Block errors resulting from Block's misinterpretation of your tax situation will only be reimbursed if all other terms and conditions have been met by you, including that you have provided complete and accurate information. In that event, Block may, at its sole discretion and expense, challenge the determination that additional taxes are owed, and Block will reimburse you upon the conclusion of an unsuccessful challenge. Such three year limitation applies to your federal and state returns, including returns for those states in which the "open" period to review returns is greater than three years. In some cases, the correction of a specific error will involve changes on multiple returns, including state or local tax returns, which may result in an overpayment on one return and a balance due on another. In such cases, the overpayment and balance due may be netted in determining the amount Block will pay for additional taxes owed as a result of correction of the error. Block assumes no responsibility for payment of additional taxes to a tax authority. You are responsible for providing payment of additional taxes to the tax authority.

A Special Note about the Affordable Care Act (ACA) and the Protecting Americans from Tax Hikes (PATH)

Act of 2015: As with all penalty calculations or tax calculations and credits, it is critical that you provide Block with accurate and current information.

- (a) For ACA related tax issues, this includes documentation (1095 A, B or C), other required information in connection with your household insurance coverage status, penalty exemptions you may have claimed (and whether they were denied by the IRS or an Insurance Marketplace), and information related to whether you received Advanced Premium Tax Credits.
- (b) For credits subject to return preparer due diligence requirements (Earned Income Tax Credit (EITC), Child Tax Credit (CTC), and American Opportunity Credit (AOC)), this includes providing information about all sources of income reportable to the Internal Revenue Service (IRS) (e.g., W2 and 1099) as well as providing accurate relationship and residency information of all of your dependents.

Before such payment, you must:

- (a) **notify Block of any government notice regarding such tax returns prior to any call, conference or audit with any government agency and within 60 days from the date of the initial notice;**

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- (b) promptly provide Block with copies of such notices and other documents relating to or substantiating any information in question;
- (c) provide Block with reasonable notice of the initial audit and allow Block to attend the audit with you or as your representative with Power of Attorney;
- (d) allow Block at its sole discretion and expense, to challenge the determination that additional taxes and penalties and interest are owed; and
- (e) provide Block with your receipt as proof of your purchase of the Plan.

The Plan does not apply to:

- (a) amended returns (1040-X) unless the H&R Block error at issue is a result from the error in the original tax preparation; 1040-NR;
- (b) non-individual returns such as employment (including taxes assessed on Form 4137 for income other than allocated tips), corporate, state and local small business, occupation tax, partnership, trust, estate, and gift tax returns;
- (c) errors made on any returns or other forms used to file for tax credits, prebates or rebates such as property tax, homestead or renters credits (an "Ancillary Form"), unless the error at issue occurred on a federal, state or local income tax return and that data was then used by Block to prepare the Ancillary Form;
- (d) the calculation of estimated tax payment vouchers, additional taxes owed as a result of an erroneous refund of your estimated tax payments by the IRS or a state or local taxing authority;
- (e) any return for which, as of the date of such purchase, you have knowledge of additional taxes owed;
- (f) any return for which you have received on or before the date of such purchase any notification from any tax authority of examination or audit;
- (g) returns for which errors have been identified by Block prior to an assessment of additional taxes by tax authorities and can be corrected by Block within 30 days after purchase;
- (h) any return relating to previous years;
- (i) additional taxes, penalties and interest that are assessed as the result of (i) incorrect, incomplete, false or misleading information that you have given to Block in connection with its preparation of a return; (ii) the government's inability to obtain from you sufficient records to support deductions, credits and other items on your return; (iii) your failure to timely pay the taxes as shown to be due on your return; and (iv) additional taxes assessed as the result of your desire to take a position on your return that challenges current IRS or judicial tax law guidelines or interpretation. In the event you receive a refund of any assessment that Block has paid you under the Plan, you must reimburse Block for the amount of such refund;
- (j) assessments of additional taxes that occur after three years from the filing deadline for the return, not including extensions; or
- (k) additional taxes resulting from non-participation in an Individual Retirement Account where you claimed a deduction for such an account.

Claim Process - Frequently Asked Questions:

I received an inquiry from a tax authority. What do I do next?

1. Provide your tax authority notice and any related documents to your local H&R Block office **within 60 days** from the date of the initial notice. If you don't contact us within 60 days, your claim may be denied.
2. Your local H&R Block office will investigate the issue, providing full audit representation if necessary. (Please note: while receipts are not required for tax return preparation, you must make these documents available to the tax authority in the event they are requested.)
3. Once the final determination has been made with the tax authority, and if additional taxes are owed due to H&R Block's error, the office will submit your claim to the Peace of Mind Claims Department where it will be reviewed and processed within four to six weeks.
 - If your claim is approved, you will receive a check.
 - If your claim is not approved, you will receive a letter explaining the reason for the denial. If you disagree with the denial, you may call your local H&R Block office or 1-800-HRBLOCK to request a review of the



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determination. Your claim will usually be reviewed within three to five days. You will receive the final determination in writing.

- If penalties and interest are due in addition to taxes, that payment may be processed and paid separately under the conditions of the H&R Block Guarantee.

What are the tax implications of receiving a Peace of Mind payment?

Federal law states that if your tax liability is paid by someone else, the amount of that payment becomes taxable income to you. Therefore, you will need to include your Peace of Mind payment on your tax return next year. If the payment is \$600 or more, you will receive form 1099-MISC from H&R Block next year. H&R Block is not responsible for the payment of any taxes you may owe on such income.

Who do I contact if I have more questions?

You should contact the H&R Block office where your claim was originally filed. You may also speak to a client service representative by calling 1-800-HRBLOCK.

For **New Hampshire Residents ONLY**: In the event you do not receive satisfaction under this Peace of Mind contract, you may contact the New Hampshire Insurance Department, Consumer Division, which provides oversight for consumer guaranty contracts, at 21 South Fruit Street, Suite 14, Concord NH 03301 or 603-271-2261. This number is only for clients who purchased Peace of Mind.

ARBITRATION IF A DISPUTE ARISES BETWEEN YOU AND H&R BLOCK

If a dispute arises between you and H&R Block, including any dispute that relates to POM, the dispute shall be settled by binding arbitration unless you opt-out of this arbitration provision. The arbitration procedures, including the procedures for you to opt- out of arbitration, are set forth in the Client Service Agreement between you and Block, in the section titled "Arbitration if a Dispute Arises." The "Arbitration if a Dispute Arises" section hereby is incorporated by reference.



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SATISFACTION

If for any reason you are not satisfied with the terms of this Plan and want to rescind this Plan, you may obtain a full refund of the fee you paid for the Plan provided that within seven (7) days from the date of purchase you contact the manager of the H&R Block office where your tax return was prepared and provide at that office the receipt for such payment.

OVERVIEW

Peace of Mind® Extended Service Plan ("Plan") provides the following benefits with respect to individual resident federal, state and local returns prepared and paid for on the date you sign this document:

- If additional taxes are assessed due to H&R Block's error, H&R Block will pay you an amount up to \$6,000 for your payment of the additional tax assessment, subject to the terms and conditions outlined in this agreement.
- H&R Block's payment is for additional tax assessments made within three years from the filing deadline of your return, not including extensions.
- You are responsible for providing payment of additional taxes to the tax authority.
- H&R Block will provide a qualified person (but not an attorney) to represent you at an audit if the accuracy of your return is questioned. You may not even have to attend.
- Any dispute arising between you and H&R Block will be settled through binding arbitration as provided in the arbitration provision of this Plan and the Client Service Agreement.

In order to be eligible to receive payment, you must:

- Notify Block of any government notice regarding such tax returns prior to any call, conference or audit with any government agency and within 60 days from the date of the initial notice.
- Provide your tax professional with complete and correct information for the preparation of your return prior to filing and acceptance by the IRS.
- Comply with all other requirements set forth in this Plan.

Not all returns are covered by the Plan.

Please confirm we have captured some basic income information correctly.

of W-2 Entries: _____

of 1099-R Entries: _____

of 1099-SSA/RRB Entries: _____

Self-Employment Income: Yes No

Interest Income: Yes No

The above information is accurate (client initials): _____

My/our signature(s) below confirms that I/we understand and voluntarily agree to the terms, conditions and disclosures presented in this Plan, INCLUDING THE REQUIREMENT THAT ANY DISPUTE BETWEEN ME/US AND H&R BLOCK BE SETTLED THROUGH BINDING ARBITRATION.

Client's Name: _____

Spouse's Name (if applicable): _____

Extended Service Plan Accepted

Extended Service Plan Declined

Client's Signature: _____ Date: ____/____/2017

Spouse's Signature: _____ Date: ____/____/2017
(If married and Spouse is present, Spouse must also sign.)

Tax Professional Signature: _____ Date: ____/____/2017