

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

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 and effective upon payment of tax preparation and all additional fees incurred at the time your return is completed, which must be no later than October 31st of the year of the return due date. Subject to the limitations and exclusions below, the Plan applies only to Block errors made on the **filed and accepted original individual U.S. resident federal, state, or local tax return prepared by Block** for the 2021 tax year, and remains in effect during the life of the return (the applicable Federal and State statutes of limitation for the return). The Plan is separate from, and in addition to, the Block 100% Accuracy Guarantee which reimburses penalties and interest resulting from a Block error in tax preparation and cannot be transferred by you to others.

CLIENT RESPONSIBILITIES

- a) **TOTAL INCOME:** You represent to us that you have reviewed the items on your return to ensure it includes all 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 additional income is found which was not presented on the Client Source of Income Verification form after your return has been accepted by the IRS, your claim may be denied.
- b) **DOCUMENTATION:** While receipts are not required for tax return preparation, you must make these documents available to the Taxing Authority and Block when requested. If you are unable to provide these documents, your claim may be denied.
- c) **SUBSTANTIATION:** Block prepared your return based on information provided by you and does not verify the accuracy of that information. It is your responsibility to substantiate the basis for any claimed credits, deductions, or expenses. If Block determines the credit, deduction, or expense is reasonable and allowed per IRS regulations, but still rejected by the IRS, your claim may be denied.
- d) **REASONABLE NOTIFICATION:** You must notify Block within 60 days from the date of the initial notice of any government notice regarding such tax returns prior to any call, conference or audit with any government agency.; If you don't contact us within 60 days from the date of the first notice, your claim may be denied.
- e) **IRS ENGAGEMENT:** You must allow Block, at its sole discretion and expense, to challenge the determination additional taxes and penalties and interest are owed. If your return is audited, Block will make available a qualified person (but not an attorney) to represent you before the tax authority should such tax authority question the accuracy of your return.
- f) **AFFORDABLE CARE ACT** (related tax issues): If you purchased marketplace insurance, you must provide Block the applicable Form 1095A and confirm what months you received coverage and how much you paid.

LIMITATIONS AND EXCLUSIONS

The Plan does not apply to:

- a) 1040-NR or amended returns (1040-X) unless the Block error at issue is a result from the error in the original tax preparation;
- 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 by Block or others on any returns or other forms used to file for tax credits, rebates or rebates such as property tax, Economic Impact Credit (stimulus payments), Advance Child Tax Credits, homestead or renters credits (an "Ancillary Form"), unless the error at issue occurred on a federal, state or local income tax return prepared by Block and that data was then used by Block to prepare the Ancillary Form;
- d) the calculation of estimated tax payment vouchers or 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;

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- e) any return for which, as of the date of such purchase, you have knowledge of additional taxes owed, you received any notification from any tax authority of examination or audit;
- f) any return relating to previous years;
- 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) additional taxes, penalties and interest that are assessed as the result of:
 - i. incorrect, incomplete, inconsistent, false or misleading information that you have given to Block in relation to the preparation of your return;
 - ii. your failure to timely pay the taxes as shown to be due on your return;
 - iii. additional taxes resulting from non-participation in an Individual Retirement Account where you claimed a deduction for such an account;
 - iv. additional taxes assessed as the result of your desire to take a particular position on your return that is asserted to be incorrect by tax authorities. In the event you receive a refund of any assessment that Block has paid you under the Plan, you must reimburse Block for such refund; and
 - v. your choice not to claim a deduction or credit, conflicting tax laws, or changes in tax laws after January 1, 2022.

CLAIM PROCESS AND DETERMINATION:

- 1) Provide your tax authority notice and any related documents to your local Block office within 60 days.
- 2) Your local Block office will investigate the issue, making available a qualified person (but not an attorney) to represent you at an audit, if necessary, and assist you in responding to the Tax Authority Notice.
- 3) Block may choose to challenge the tax authority's assessment of penalties, interest, or additional taxes owed.
- 4) The office will submit your claim to the Client Claims department where it will be reviewed and processed. Most claims are processed within six weeks.

If your claim is DENIED, you will receive a letter explaining the reasons for the denial.

If your claim is APPROVED, you are responsible for providing payment of additional taxes, penalties, and interest to the tax authority.

- 5) If your tax liability increases as a result of a Block tax preparation error discovered by you, your representative, or a tax authority Block will reimburse you for such taxes up to a cumulative total of \$6,000 for all such returns, subject to the terms and conditions of the Plan.
- 6) In some cases, the correction of an 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 reimburse you.
- 7) Payment will be issued as a check mailed to the address listed on the claim. If penalties and interest are due in addition to taxes, that payment may be processed and paid separately under the conditions of the Block Standard Guarantee.
- 8) If the payment is \$600 or more, you will receive form 1099-MISC from Block. 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 for the year in which the payment is issued. Block is not responsible for the payment of any taxes you may owe on such income.

If you have questions about your claim, you should contact the office where the claim was originally filed or you may also speak to a Client Service Representative by calling 1-800-HRBLOCK (472-5625).



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SATISFACTION

If for any reason you are not satisfied with the terms of this Plan, **you may rescind and obtain a full refund of the fee you paid for the Plan.** Contact the manager of the Block office where your tax return was prepared **within seven (7) days from the date of purchase.**

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 BLOCK

If a dispute arises between you and Block, including any dispute that relates to Peace of Mind, the dispute shall be settled by binding arbitration unless you opt-out of arbitration. 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 (or in the Online Services Agreement if you purchased on www.HRBlock.com), in the section titled "Arbitration if a Dispute Arises." The "Arbitration if a Dispute Arises" section hereby is incorporated by reference.

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 BLOCK BE SETTLED THROUGH BINDING ARBITRATION.

Client's Name: _____

Spouse's Name (if applicable): _____

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

Spouse's Signature: _____ Date: ____ / ____ / ____

(If married and Spouse is present, Spouse must also sign.)