



A Cost-Effective Alternative to Save on Insurance Premiums

POP Benefits the Employer

Save 7.65% FICA taxes on each dollar pre-taxed through a POP.

EXAMPLE:

National average paid employee premiums are \$300 per month.

Assume 30 POP participants.

$\$300 \times \$30 \times 12 \text{ months} = \$108,000$ in pre-tax dollars per year.

Your FICA savings: \$8,262

POP Benefits the Participant

- Save on income taxes while increasing their take-home pay.
- Pay their share of their group insurance premiums such as medical, dental and vision with pre-tax dollars.

Section 125 allows employees to select certain benefits normally paid on an after-tax basis and instead pay for them through pre-tax payroll deduction. **Premium Only Plans** allow employer-sponsored premium payments for group medical, dental, vision, disability, group term life insurance and other eligible coverages to be paid by the employee on a pre-tax basis. The result is tax savings for you and your employees!

For employers who do not want to offer a Full Flexible Spending Account (FSA) Plan, but want to offer a tax savings benefit for you and your employees, a Premium Only Plan is the solution.

How a POP Works

To implement your Section 125 Premium Only Plan will require a change in the way you calculate payroll taxes. Your POP will affect employees who have health, dental, vision, disability or group term life insurance premiums currently deducted from their payroll (after-tax) and now elect to participate in the POP (pre-tax).

Because of the POP, the employee's paycheck has now been increased as a result of paying for the insurance premium with **pre-tax dollars**.

Section 125 states that the gross salary must be reduced by the insurance premiums that are being funded through the payroll deduction, therefore, taxes will go down and the employee's paycheck will increase.

FlexSystem POP Delivers

- Administrative manual.
- Non-discrimination testing.
- Special Safe Harbor Non-discrimination test.
- Full FSA Plan video (available on request).
- Toll-free technical support.
- 30-day money back guarantee.
- Integration with our MyHSA Plan.
- Administrative forms and documents, including:
 - Plan Document
 - Summary Plan Description
 - Employee Notification Forms
 - Employee Handouts