

# FlexSystem™

## Premium Only Plan



### What is a Premium Only Plan?

Section 125 allows employees to select certain benefits normally paid on an after-tax basis and pay for them through payroll deduction. Premium Only Plans enable employees to pay their share of their group health insurance premium with pre-tax dollars! This provides savings to both the employer and the employee!

#### Ease Your Healthcare Burden

How will my company benefit from a Section 125 Plan? A Section 125 Plan offers the employer and employees a win-win situation when it comes to saving money. By offering Section 125, employers are able to realize a number of benefits including:

- **Reduced Payroll Costs** - Social Security contributions are reduced for each dollar of employee participation.
- **Control Cost** - An employer can control the company's share of medical costs without limiting employee choices.
- **Address the Needs of a Diverse Workforce** - An employer can offer individually tailored benefits at little or no additional cost to the company.
- **Recruit and Retain Quality Employees** - An employer is viewed in a positive light by current and prospective employees because a benefit package is being provided with the employee's interests in mind.

#### Save Taxes

Example 1 After-Tax	
Monthly Gross Salary	\$2,500
FICA	- \$191
Federal Income Tax	- \$375
*State Income Tax	- \$78
Adj. Gross Salary	\$1,856
Insurance Premium	- \$400
Net Pay	\$1,456

\*Some states do not have a state income tax. Example assumes 3.1%.

#### Gain Peace-of-Mind

Example 2 Pre-Tax	
Monthly Gross Salary	\$2,500
Insurance Premium	- \$400
Adj. Gross Salary	\$2,100
FICA	- \$161
Federal Income Tax	- \$315
*State Income Tax	- \$65
Net Pay	\$1,559

**Yearly Savings = \$1,236**

\* Some states do not have a state income tax. Example assumes 3.1%.

See the two examples above to see how much both the employer and employee will save by using pre-tax dollars vs. after-tax.

**In partnership with FlexSystem, a division of Total Administrative Services Corporation (TASC), HealthNet has arranged for groups enrolling in a POP Plan through HealthNet to receive a significant discount on the annual cost of POP Plan administration!**

- First year Administration: \$0.00
- Second and following years: \$125.00
- The Plan can be written with any eligible HealthNet group with 2-50 employees.
- This product is not eligible for commissions and/or production credit with TASC.

#### The FlexSystem Premium Only Plan Includes:

- Comprehensive Client Administrative Manual
- Form 5500 Filing (if applicable)
- Newsletters and Technical Bulletins
- Toll-Free Technical Support
- 30-Day Money Back Guarantee

#### Administrative Forms and Documents Include:

- Plan Document
- Summary Plan Description
- Employee Notification Forms
- Employee Handouts

#### How To Enroll

1. Complete the application as per the instructions found in the Premium Only Plan booklet.
2. Fax the application to FlexSystem at (608) 241-4584.
3. Expect to receive your Summary Plan Description and Client Kit from TASC in 7-10 days.

For more information, contact FlexSystem at (800) 422-4661.

**Interested in a Full Flexible Spending Account that includes medical, dependent care, and transportation account options? Call FlexSystem at 1-800-422-4661 for more information!**