



Premium-Only-Plan

A Premium-Only-Plan allows employees to pay for their share of the company-sponsored health insurance premiums with before-tax dollars. This reduces the cost of the employee share of premium by 25% or more (actual savings are based on the individual employee's tax bracket) and saves the employer FICA and Medicare taxes on these premium dollars.

To set up a Premium-Only-Plan you must first design the plan, then prepare a plan document, summary plan description and provide enrollment materials. All this must be completed prior to the start of your first plan year. Once the plan is set up you must comply with all federal and state guidelines when operating the plan and either pass the safe harbor criteria or complete the required discrimination tests each year.

FlexMagic Consulting can help. Give us a call or complete the New Client Online Order Form. Once received we will contact you by phone to explain our services, verify all information, review your plan design (to ensure it is compliant with current regulations) and answer any questions you may have.

You can also expand your Premium-Only-Plan in the future to include pre-tax Dependent Care, Out-of-Pocket Health Care Expenses and Health Savings Account contributions, if applicable. Call our consultants to review these options. 800-888-9084.