

## Premium Only Plan

# Turn compliance into confidence

To get the most out of your group-sponsored benefit plan, employees should have the option to make premium payments and HSA contributions on a pre-tax basis. But the IRS requires a Premium Only Plan (POP) to facilitate the necessary payroll deductions.

Now you can add a HealthEquity POP and simplify IRC Section 125 compliance. Your POP can apply to myriad group-sponsored plans, including PPOs, vision, dental and even group-term life insurance. No matter what plan you offer, the HealthEquity POP gives your team the option to pay premiums on a pre-tax basis.

## Maximize tax savings

### Give your team an instant raise

Keep plan premiums level and your POP will let employees take home around 30 percent more pay.<sup>1</sup>

### Take the sting out of higher premiums

Use a POP to share more of the premium costs without reducing employee take home pay.

### Unlock immediate FICA savings

Tax savings extend to you too – nearly 8 percent on every dollar.<sup>1</sup> You can use that savings to help offset rising premium costs.

### Ready to act?

Call us to get started 800.876.7548



### Don't risk noncompliance

- Deductions may be disallowed back to inception
- Employees may be taxed on past deductions (with interest)
- IRS may assess missed FICA taxes and penalties
- IRS may assess "improper withholding" penalties

## One partner. Total solution.

Only HealthEquity delivers the integrated solutions you need to simplify benefits and truly impact people's lives.



HSA



FSA



HRA



LSA



COBRA



Commuter

# Premium Only Plan Application

## SECTION A: GENERAL PLAN INFORMATION

1. Plan Sponsor (Employer's complete legal name) ("Client") \_\_\_\_\_
2. Business type  Corporation  S-Corp.  Sole Proprietor  Partnership  LLC  Not-for-Profit  Government  Religious
3. Federal Employer Identification Number (must be nine digits.) \_\_\_\_\_ - \_\_\_\_\_
4. Employer's principal office: This Premium Only Plan shall be governed under the laws of the  State  Commonwealth \_\_\_\_\_
5. Legal name(s) of affiliated company(ies) that will be covered by this Plan \_\_\_\_\_

6. Effective date of the Plan (check one)
  - a.  A new Section 125 Premium Only Plan effective as of (date) \_\_\_\_\_
  - b.  An amendment and restatement of an existing Section 125 Plan (transfer of Premium Only Plan from your current administrator)
    - (1) Effective date of original plan \_\_\_\_\_
    - (2) Effective date of amended and restated plan \_\_\_\_\_

The effective date of a new or restated plan should be the beginning of the first payroll period for which employee contributions will be made on a pre-tax basis. It is not necessary for the effective date to coincide with the first day of the Plan Year (short Plan Years are permitted in the first Plan Year). The plan document or restatement must be signed prior to its effective date.

7. Plan year: The first plan year for this Premium Only Plan will be a (check one)
  - a.  12-consecutive-month period beginning (date) \_\_\_\_\_ and ending (date) \_\_\_\_\_
  - b.  Short plan year beginning (date) \_\_\_\_\_ and ending (date) \_\_\_\_\_

The Plan Year usually coincides with the renewal date of the insurance plan, calendar year or company fiscal year.

8. Benefits: All benefits listed below may be included in the Premium Only Plan, whether you currently offer them or not.

- Health Insurance premiums, including major medical, accident, cancer and critical illness, dental, vision, and hospital indemnity. However, insurance products with a return-of-premium feature cannot be deducted on a pre-tax basis.
- Group-term life insurance (only the first \$50,000 including employer-provided coverage, can be pre-tax)
- Health Savings Accounts contributions that are made through payroll deduction
- Disability insurance (pre-tax premium or benefit, but not both)

9. Total number of employees \_\_\_\_\_

## SECTION B: ADMINISTRATOR

(Indicate the name and address of the person within the company responsible for plan administration. The application should be signed by an authorized representative of the company. Reminder: Please do not start pre-tax deductions until you have received the Administrative Kit and signed the Plan Document from HealthEquity.)

Plan administrative contact \_\_\_\_\_ Title \_\_\_\_\_

Mailing address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

HealthEquity will be the plan service provider, but will not be the Plan Sponsor or Plan Administrator. This Agreement will become effective on the "Effective Date of the Plan." It will continue for an initial term of one year beginning with the Effective Date, or the Amendment and Restatement Date, and continue thereafter for successive one-year terms ("Renewal Terms") or until terminated by either party upon 90 days prior written notice. The one-time non-refundable Implementation Fee must be enclosed with this Application. For each Renewal Term, Client agrees to pay an Annual Compliance Service Fee billed at the end of each Plan Year.

Implementation Fee for Louisiana Blue referrals: \$225.00

Annual Compliance Fee for Louisiana Blue referrals (billed at the end of each Plan Year): \$225

Client signature \_\_\_\_\_ Date \_\_\_\_\_

Payment option: Check or Credit Card.

- Check: Scan a copy of the check and send with this application to pophelp@healthequity.com. Please mail live check, payable to HealthEquity to PO Box 870725, Kansas City, MO 64187-0725
- Credit Card: Scan application to pophelp@healthequity.com. Once the account has been generated and documents published (24-48hrs), you will receive an email with instructions to access your account and invoice Online. Credit card payment is due upon receipt through the Online portal. Failure to pay will result in termination of account and voided documents.

## SECTION C: REFERRAL SOURCE/BROKER OF RECORD

Name of referral source \_\_\_\_\_ Affiliated company \_\_\_\_\_

Address (No PO boxes) \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

Name of referral source: Louisiana Blue.

**Scan and email this completed form to pophelp@healthequity.com. Questions? Call 800-876-7548 (Weekdays, 8 a.m. – 5 p.m. Central)**

