

PROPOSAL PREPARED FOR

BizPlan Multi-Employee HRA

Date Submitted:



PREPARED BY:

WHY TASC

It started with a desire to help a friend.

Total Administrative Services Corporation (TASC) was founded on a simple belief: regular people should be able to receive the same tax advantages as large corporations.

In the process, we brought simplicity to one of the most complicated systems in the world: the US tax code. The solution worked so well, we continued to invent products that transformed the lives of farmers and other entrepreneurs, their families, and their communities. And we're still in the life-changing business for employers of all sizes, in all markets, today.

After more than 40 years in the benefit administration industry, our conviction is stronger than ever. We've discovered a new way to remove complexity, a new way to help Americans pay less tax and invest more in their health and prosperity.

We are committed to understanding our clients' needs and ambitions and will configure a solution, whether they have one employee or one million. Because when Americans have more money to spend, when they invest in their health, when they have the tools to support their families, when they give back to their communities, when they save and grow, **we all benefit.**



3 in 5

employers say
managing benefits
is increasingly
complex ¹

TASC at a glance:

- » **72,000 clients** across the United States
- » **\$2.7 billion** in funds handled each year
- » **\$30 billion** saved in taxes by TASC clients and participants
- » **\$1.6 million** donated to charity by TASC and its employees in last year
- » **94% of clients** feel their customer service representative handled their call with courtesy and professionalism

¹ Guardian Workplace Benefits Study – 5th Annual; May 2018

BIZPLAN MULTI-EMPLOYEE HRA OVERVIEW

The U.S. Departments of Health and Human Services, Labor, and the Treasury have expanded access to quality, affordable health coverage through the use of Health Reimbursement Arrangements (HRAs). HRAs offer millions of American workers more health coverage choices and options to meet their needs. They also help small business owners attract and retain employees.

TASC's BizPlan HRA is currently utilized by 30,000 small business owners nationwide. It is perfectly suited for sole proprietors and small corporations, limited liability companies, non-profits, and partnerships.

How Does It Work?

The BizPlan HRA is intended for the employer with less than 50 employees who does not offer group health insurance to its employees— but wishes to make contributions to help their employees pay for the cost of individual health insurance premiums and eligible out-of-pocket medical expenses. The employer determines the contribution limits and what they will reimburse.

- HRAs are solely funded by an eligible employer; the employee is not allowed to contribute pre-tax dollars via salary reduction.
- The employer determines whether they will allow unused elected amounts to be carried over to reimburse medical expenses in future years OR select the “use it or lose it” feature to limit their liability to the current Plan Year.
- HRAs are not pre-funded.
- Participation in this HRA will not disqualify participants from Marketplace subsidies (i.e. premium tax credits), but monthly HRA reimbursements will be included in income calculations for determining eligibility for any subsidy.
- Generally, employers must make the same contributions to all eligible employees; amounts may vary based on family status (single vs. family).
- Employers can write off insurance premiums beginning the first of the year in which they enroll. Out-of-pocket medical expenses can be written off beginning the first of the month in which the small business owner establishes the HRA.

What Does a Section 105 Plan Do?

The BizPlan Multi-Employee HRA saves the employer 7.65% FICA taxes (Social Security and Medicare) on every dollar they contribute to an employee for medical expenses. This benefit is not taxable to the employee so they save federal, state, and FICA taxes on the contributed amount making this a win, win situation for both the employer and the employee.

Eligible Medical or Medical-Related Expenses

A medical expense is an amount paid for the diagnosis, cure, mitigation, treatment or prevention of disease, and/or for treatments affecting any part or function of the body. For the official IRS list of eligible expenses visit: www.irs.gov/pub/irs-pdf/p502.pdf. Examples include:

- Dental fees
- Dentures
- Diagnostic fees
- Drug and medical supplies
- Education for the blind
- Eyeglasses, including exam fee
- Healing service fee
- Home improvements motivated by medical consideration
- Hospital bills/hospitalization insurance
- Insulin
- Laboratory fee
- Laser eye surgery
- First aid supplies

Plan Features

Plan features make BizPlan more attractive than ever. These features give small business owners a comprehensive approach to plan management and compliance:

Carryover Feature

If elected, clients can offset unforeseen medical expenses in a plan year with our carryover feature. It allows an employee to carry forward any available unused medical reimbursements to the next plan year.

TASC Card®

The TASC Card is free for BizPlan clients. Replacing its predecessor, the benefits debit card, our exclusive TASC Card makes reimbursement of medical expenses as easy as the swipe of a debit card. It's how the plan works!

What Sets TASC Apart from the Competition?

Due to the passage of the Patient Protection and Affordable Care Act (PPACA), small business owner clients must follow a host of new regulations to ensure their tax savings. TASC has them covered! Various plan features help clients maximize their savings and stay compliant:

- TASC Card: This exclusive card makes reimbursement of eligible medical expenses as easy as a swipe of a debit card.
- Carryover: Allows unused medical reimbursement funds to carry-over to the next Plan year (if your Plan allows).
- ERISA and PPACA Notifications are available for members with multiple employees.
- Over-The-Counter Prescription Order Form.
- Adult Child Tracking and Eligibility Notifications are available.

Tax Deduction Guarantee

Qualified BizPlan clients are entitled to a 100% enrollment fee refund if they follow all stated guidelines and parameters and cannot deduct at least \$2,000 in taxes (total of Federal, State and FICA) in the plan year. The client has the option of applying their refund to their next plan year administration fee.

Audit Guarantee

TASC will defend its clients and assume financial responsibility for any penalty and/or interest resulting from an audit as it pertains to their benefits plan if all procedures and guidelines are followed correctly and their plan is challenged by the IRS.

BizPlan Individual Coverage HRA Pricing

Total Employee Count:	
Plan Start Date:	

One-Time Setup Fee:	\$
BizPlan Annual Administration Fee:	\$
Annual Fee for each additional employee (over 1):	\$
Other Fees:	\$
South Dakota residents add 4.5% sales tax; West Virginia add 6.0%.	\$
Total Cost of Administration:	\$

TERMS

Plan Applications must be submitted with full payment of all applicable fees listed above.

GUARANTEES

The pricing presented in this proposal is guaranteed for 90 days.

Any and all information in this TASC proposal is confidential and can be used for the sole purpose of placing a client with TASC. Any disclosure of this information to any other third party is a breach of the TASC Provider Agreement(s) and will cause losses to TASC. TASC will immediately terminate any agreement with any person who discloses the information to an unauthorized third person and seek immediate reimbursement for any loss attributable to the disclosure.