

Advantages to the Employer

- 1.) Exhibits the employer, concern for the employees financial future.
- 2.) By installing a consumer driven healthcare plan, the employees have a direct involvement in the actual cost of their healthcare benefits.
- 3.) Voluntary benefits provides value added employee benefits at no cost to the employer
There are no employer contributions.
- 4.) Employees pay the entire cost of the voluntary benefit.
- 5.) Premiums for voluntary benefits may be included in the section #125 Cafeteria plan.

The employer may save the labor burden on these contributions.
An example.....If the employees in the aggregate contributed \$1,000 per monthly premium, the employer would save \$918 per year in F.I.C.A.

- 6.) Offering voluntary benefits helps to recruit and retain employees. This is especially true in the trades.
- 7.) Removes the employer from the decision making process of determining how long to carry a disabled employee.
- 8.) This is a popular, attractive fringe benefit plan program that is well received and good for the employee morale.
- 9.) By installing an executive management dental and long-term disability plan, the key management of the employer will have improved morale and loyalty.

Creating a Solution for Spiraling Healthcare Costs.

- 1.) The employee must become more accountable and responsible with accessing their needs for healthcare.
- 2.) The employer provides a medical consumer driven healthcare plan that encourages the employee to become more involved in their healthcare decisions.

How is this Accomplished?

By utilizing a proven strategy and initiating a consumer directed solution to the healthcare crisis.

- 1.) Give the employees choice of which type of medical reimbursement plan best fits themselves and their family needs.
- 2.) The employer funds only a stated monthly dollar amount for the basic plan offered by the employer.
If the employee desires a richer benefit plan, (Example - Lower out of pocket cost at the time of service), then the employee pays the difference in higher payroll deductions.

Strategy to Provide a Quality Benefit Package.

In order to cut overall benefit costs and still offer quality benefits for employees the following game plan should be considered.

- 1.) Install a consumer driven healthcare plan.
- 2.) Install a section #125 Cafeteria plan with medical expense and childcare reimbursement.
- 3.) Offer the following voluntary benefits which may or may not be included in section #125 Cafeteria plan:
 - a.) Dental
 - b.) Vision
 - c.) Short-term disability income replacement
 - d.) Long- term disability income replacement
 - e.) Life insurance
 - f.) Cancer insurance
 - g.) Accident reimbursement insurance

Keep in mind the employee premiums paid for their voluntary benefits, will be benefiting the employer with improved employee morale as well as the tax saving resulting from less F.I.C.A. taxes.

- 4.) Install an executive management dental and long-term disability plan.

The chief executive officer or president of the corporation selects their executive management team (minimum of 10 employees) and the corporation pays for this benefit.

This arrangement provides a quality executive benefit at very low cost to the corporation.

