

BASE[®] 125 CAFETERIA PLAN

This plan allows employers to customize benefits and save money. Employers that sponsor a BASE[®] 125 Cafeteria Plan can allow employees who are paying medical expenses, insurance premiums or dependent care expenses to do so on a pre-tax basis. A Cafeteria Plan can create sizable savings for both the employer and employee.

BASE[®] provides plan design, implementation and compliance services. Our staff is well trained in state-of-the-art planning and design techniques. We can assist you in maximizing a company's tax savings, as well as, making sure the plan is in compliance with all government rules and insurance rules and regulations.

125 Plan in Action

With a 125 Cafeteria Plan in place, employers choose to provide a reimbursement plan governed by IRS Section 125 which allows employees to contribute a certain amount of their gross income to pay for qualifying Cafeteria Plan expenses before taxes are calculated. Employers choose to offer any combination of funding options they want to make available to employees, and then employees can choose to participate and agree to contribute a certain portion of their salary on a pre-tax basis.

BASE[®] will assist employers in taking the steps to evaluate their current benefits and develop a comprehensive strategy. By taking these steps, employers can ensure that their entire benefit plan establishes a competitive edge to attract and keep employees.

Plus, the BASE[®] 125 Cafeteria Plan offers:

- Enhanced Benefits Package
- Financial Benefits
- Option for Increased Plan Participation & Savings
- Easy & Inexpensive Set Up

Funding Options Available

FLEXIBLE SPENDING ACCOUNT (FSA)

Pre-tax means of paying for qualifying medical expenses

LIMITED PURPOSE FSA

Pre-tax means of paying for dental and vision expenses with an HSA in place

DEPENDENT CARE ASSISTANCE PLAN (DCAP)

Pre-tax means of paying for qualifying dependent care expenses

PREMIUM ONLY PLAN (POP)

Pre-tax means of paying for a variety of employer-sponsored benefits, such as health, dental, and vision

BASE[®] will provide a complimentary benefit analysis to show employers how much they could be saving with the funding options that fit their needs.

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Dependent Care Assistance Plan (DCAP)

The BASE® Dependent Care Assistance Plan is a plan established by an employer that allows employees to set aside money from each paycheck, on a pre-tax basis, to pay for qualifying dependent care expenses such as daycare, preschool, before and after-school care, and elder care.

Limited Purpose FSA

The BASE® Limited Purpose FSA is a form of flexible spending account that is strictly for reimbursing eligible dental and vision care expenses. The BASE® Limited Purpose FSA allows employees to set aside a specified amount to be taken out of their check before Federal, State, and Social Security taxes are taken out. The money is available for eligible dental and vision expenses only. This type of plan is for employees who are enrolled in a high deductible health plan and are enrolled in a Health Savings Account (HSA).

Flexible Spending Account (FSA)

The BASE® 125 FSA gives employees an option for tax-free salary reductions to pay for out-of-pocket medical expenses, such as dental, vision, co-pays, deductibles, prescriptions, and chiropractic services, throughout the year. The BASE® FSA allows an employee to set aside a specific amount of pre-tax dollars from each paycheck.

Premium Only Plan (POP)

The BASE® Premium Only Plan (POP) is the optimal solution for employers who want to provide employees with an affordable way to pay for their group health plans. The POP plan allows for employees to pay for a variety of employer-sponsored benefits, such as health, dental, vision, and supplemental insurance premiums with pre-tax dollars, ultimately reducing taxable compensation.

Savings Example

This is an example of what one employee participant would save when opting into an FSA, DCAP, and POP sponsored by their employer. It also displays the savings the employer would see on just this one participant. In the scenario below, the enrolled employee participant will save **\$3,742.20** and the employer will save **\$826.20**.

ESTIMATED MONTHLY EMPLOYEE 125 CAFETERIA EXPENSES	SAVINGS EXAMPLE	WITHOUT 125	WITH 125	
<p><i>(Example assumes married employee with household income of \$100,000.00 and individual annual income of \$42,000)</i></p> <p>Premium Only Plan (POP) - \$500.00</p> <p>Flexible Spending Account (FSA) - \$100.00</p> <p>Dependent Care Assistance Plan (DCAP) - \$300.00</p>	Gross Paycheck	\$42,000.00	\$42,000.00	
	Employee Pre-Tax Premium Contribution	\$0.00	\$6,000.00	
	Employee Pre-Tax Out-Of-Pocket Medical Contribution	\$0.00	\$1,200.00	
	Employee Pre-Tax Dependent Care Contribution	\$0.00	\$3,600.00	
	Taxable Earnings	\$42,000.00	\$31,200.00	
	Taxes*	\$14,553.00	\$10,810.80	
	Annual Employee Savings		\$3,742.20	
	Monthly Employee Savings		\$311.85	
	<i>* Federal, State, FICA formulated at 34.65% based on current averages.</i>			
		Employee Contribution \$10,800.00	FICA Tax x7.65%	Employer Savings \$826.20

ADVANTAGES

EMPLOYERS...

- realize FICA & FUTA savings through salary reduction
- save under state unemployment insurance & workers' compensation laws
- increase employees' awareness of benefit costs
- contain health care cost in some cases
- offset additional premium costs

EMPLOYEES MAY...

- realize increased take-home pay by reducing the amount of taxable income & pre-tax salary reduction elections
- choose the benefits they want

Call **1-888-386-9680**
for more information!

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