

# Reducing the Net Cost of Employee Health Insurance



## MARKET PRICE

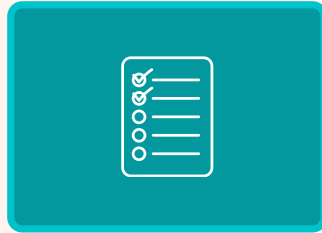
Many employers who are on Fully Insured Plans are simply paying too much for coverage. Fully Insured Plans DO NOT take the health of employees into consideration!

Truly Health will under write your employees. This allows us to find pricing based on the actual health and not assumptions related to age.

For relatively health groups, this can reduce the cost by nearly 50%!

~~Was  
\$656~~

Now  
\$328



## TAX SAVINGS

Now that underwriting has lowered the cost to \$328, your company is obligated to contribute a minimum of 50%, this would equate to \$164 per month to represent the cost per month to be paid by the employer and employee.

With an average Tax Savings of \$280 per employee per month. The employee can elect to use \$164 of their \$280 in Tax Savings to pay for their portions of the monthly premium.

The Excess savings of \$116 can be applied towards any Voluntary Benefits chosen by the employee.



## NET COST

Now that underwriting and Tax Savings have dramatically lowered the net cost for the employee, let's take a look at how the employer will also receive Tax Savings. As the tax savings program lowers taxable income, it lowers the tax liabilities for the company at an average of \$600 annually per employee.

### Example

A company with 70 enrolled employees on average would save \$42,000 annually. These savings can be applied to the employer's cost of benefits.

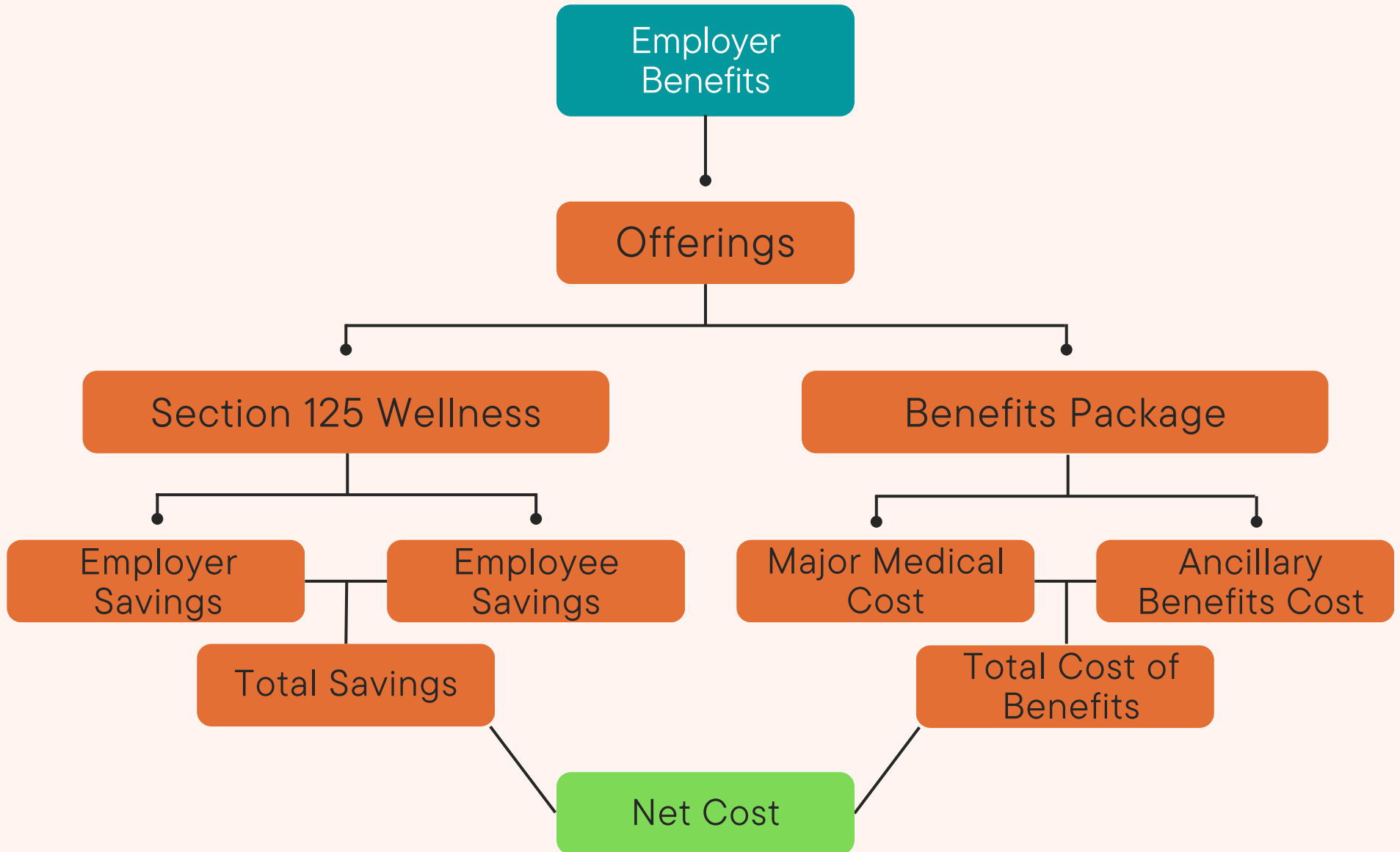


## RESULTS

Now with the tax savings applied, the employee has a net cost of \$0 and the employer has a net cost of \$132.50. Now the employer has gained a substantial competitive edge, & the ability to offer a substantial benefits package to their employees at no cost to the employee.

Now you can see how using a multifaceted strategy can make your company more competitive when hiring and save money that would otherwise be wasted.

# How it Works



# Example

## Employee Enrolls in Major Medical & Voluntary Disability coverage.

The cost for  
Major Medical  
\$350 / month

+

The cost for  
Disability  
\$15 / month

Total Cost of Benefits  
\$365 / month

### If Employer Pays 50% of Benefit Costs

Employee Cost  
**\$182.50** / month

Employer Cost  
**\$182.50** / month

# Example Continued

## Section 125 Wellness Program

Employee Net  
Savings  
\$200 / month

Employer Net Savings  
per Employee  
\$50 / month

### **If Employer Pays** **50% of Benefit Costs**

Employee Cost  
\$182.50 / month  
– \$200.00 / month

Covers Benefit Costs with  
an additional \$17.50/  
month added to paycheck

Employer Cost  
\$182.50 / month  
– \$50.00 / month

\$132.50 net cost for  
benefits per employee  
/ month