

MEMO

This document is intended to provide a summary of the treatment of employer and employee contributions for the Health Access Preventive Employee Assistance Program (EAP), Health Access Cooperative, and Individual Coverage Health Reimbursement Arrangement (ICHRA).

September 1, 2024

Please Note: This document reflects our understanding of the current tax treatment of these benefits. However, this document is provided merely as a convenience to you and should not be construed as providing tax advice. We recommend that you consult with your tax advisor regarding the tax treatment of any of the benefits provided or facilitated by Health Access Solutions.

Health Access Preventive Employee Assistance Program (EAP):

Employee assistance program premiums paid by the employer are fully deductible. Employers must pay 100% of the EAP cost for employees to satisfy the no premium and no cost sharing requirements of an EAP. If employees incur any cost to extend EAP benefits to dependents, any payroll deductions from employees should be taken post-tax.

Health Access Cooperative:

The Health Access Cooperative is a member-owned consumer cooperative with membership fees available under a consolidated billing arrangement through an employer or other corporate entity. Employers do not make direct contributions but may “gross up” employee taxable wages. Employers may also collect membership fee contributions from employees via post-tax payroll deductions.

Individual Coverage Health Reimbursement Arrangement (ICHRA):

Employer contributions to an ICHRA are deductible to the employer and non-taxable to the employee. In addition, if employees net cost to purchase individual coverage exceeds the employer ICHRA contribution and the employee purchases the individual health coverage off-exchange, the employer may deduct the employee premium cost from payroll pre-tax under a section 125 plan.

Regards,



Tarren Bragdon

Chief Executive Officer



800.606.1135



info@healthaccesssolutions.com



HealthAccessSolutions.com