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MEMO April 1, 2025

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

Tarren Bragdon



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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 by Health Access Solutions.

Please Reference: While reviewing this memo please reference your **payroll deduction report**. The chart and amounts below mirror your deduction report columns. Upon request, we can include a column in the deduction report that references our understanding of the taxable portion of the employer contribution, if applicable. This is illustrated below.

Product	Coverage Level Type	Employee Cost (Post-tax)	Company Cost	Non-deductible (taxable) portion
Health Access Benefit (Preventive)	Employee + Children	\$ 25.00	\$ 20.75	\$ -
Health Access Cooperative	Employee + Family	\$ 83.00	\$ 134.50	\$ 58.10

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 are post-tax.

Health Access Cooperative:
The Health Access Cooperative is a member-owned consumer cooperative. Employers do not make direct contributions but may “gross up” employee taxable wages. The effect on the employee produces a taxable benefit. Employers may collect membership fee contributions from employees via post-tax payroll deductions. The taxable benefit to the member (the \$58.10) is the company contribution less the employee cost of the Preventive EAP (if bundled) and deductible administrative expenses.

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 an employee's 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 pretax under a section 125 plan.

Regards,

Tarren Bragdon
Chief Executive Officer