



How a SIMRP saves Payroll Taxes and Employee's Taxable Wages

While Increasing Retention and Morale by providing Superior Benefits to your Employees

Table 1: Estimated Savings for Employers

Annual SAVINGS	25 Employee Business	100 Employee Business	500 Employee Business
Payroll Tax Savings	\$12,500	\$50,000	\$250,000
Reduction in Employees' Taxable Wages *	\$300,000	\$1,200,000	\$6,000,000

Savings and Benefits for Employer and Employees at No Net Cost to either the Employer or the Employees.

Companies, for profit, non-profit, private, or public sector can implement a SIMRP as a savings tool and retention strategy. This program frees up federal tax dollars for employers and provide best-in-class voluntary benefits for employees.

1. The average net FICA savings is \$500 to \$600 per annum per employee.

* The Employer in applicable States could also save an average of 20% - 30% annually in gross payroll that the employer would not owe on worker's comp.

Employees receive a Non-Taxable Allowance (\$\$\$) to choose from below:

1. \$3,000 for any combination of Dental, Vision and Hearing annually
2. Short and/or long term Disability Insurance (similar to Aflac at half the cost),
3. Whole Life Insurance that is guaranteed issue meaning regardless of the employee's health status or how many times they have been denied insurance they receive a permanent whole life insurance policy.
4. other supplemental benefits
5. Preventative Care Program includes 24/7 telemedicine, counseling, & health dashboard Increase in Employee Benefits without Investment on average \$1,800 per year

How is downward pressure applied to future Workers comp & Healthcare rates?

US government will pay for short and long term disability which addresses both of the issues below.

- When workers get injured on their personal time they often claim it as work related because workers comp will cover 100% of their medical issues and ⅔ of their income. If they claim it on their personal time they get nothing.
- 44 states do not have state disability and if workers get sick or cancer they get zero - nothing to pay their bills and many are living paycheck to paycheck to begin with. When they are sick their bills usually increase.

Why did our CPA Due Diligence community choose our Provider?

1. Best software in the industry makes it easy for payroll department and HR. This makes enrollment easy, monthly maintenance takes 10 minutes & no billing reconciliation.
2. CPAs refer this to their clients since it is the most IRS & ERISA compliant system.
3. Healthcare Brokers love this plan,
4. Best package of employee benefits to increase productivity, retention and morale.

Why did our CPA Due Diligence community choose our Provider? (Continued)

1. The employee benefits drive down both workers comp and healthcare costs.
2. This is a SIMRP program. It is not standalone wellness program, section 125 etc.
3. Our provider requires less of payroll and HR than any other provider
4. The reconciliation piece, more than enrollment, was the game changer for HR and Payroll. We do not have billing issues. You pay the exact amount to the penny and we have never seen that with anyone else - it simply does not happen. We handle everything as an extension of your business.

Why are we leery of a traditional 125 plan or Wellness program that are activity based?

Some tax professionals consider those cash rewards programs a double dip with pre-tax dollars. Go to page 7 and 8 of this document and refer to our *20 Most Common Questions re SIMRP that CPAs ask*.

Why CPAs refer their clients to us?

CPAs like the absence of double dipping, the IRS and ERISA compliance and to do what we do requires executing on several documents, this document, the pre-tax import, and then can you execute on the enrollment and then the customer service?

Program Highlights

1. A program that uses tax advantaged provisions with a preventative care focus for businesses of all sizes.

2. For Employees: A program that gives more employee benefits, superior value to the employee and their family at no out of pocket cost and with an easy enrollment and management dashboard.
3. For Employer: Has no net cost to the employer and the program lowers Payroll taxes and reduces taxable payroll. The back end software makes HR and Payroll activity very easy to administer and implement.

Frequently Asked Questions

1. Is this Health Insurance? No. This program is a voluntary employee benefit program.
2. Is this a legal federal program? Yes. This is a tax qualified Self-Insured Medical Reimbursement Plan with a wellness focus that uses tax advantage provisions under the Internal Revenue Service codes "Section 125 Cafeteria Plan and codes 105-11(SIMRP), 106, and 213(d) plus ACA wellness rules.
3. Does this program work with a payroll service? Yes. We work with all the top payroll companies. Our 3rd party administrator provides all the necessary documents to implement the program with your payroll service.
4. Does it affect my company-sponsored group health insurance? No. This program does not interact with your group medical plan.
5. Do I need to change my workers' comp policy? No. Your policy will remain the same except the amount used for gross wages in the calculation will be lower; ultimately reducing your premiums.
6. How much does it cost? There are no out-of-pocket costs for participating in the federal program.
7. Who picks the insurance? The employee selects the policies that want to buy using the non-taxable allowance.

To be Eligible for this Program:

Employer: Minimum 25 full time W-2 employees.

Employee:

1. Must be full time (30 hours per week)
2. Must be W-2
3. Must have Major Medical
 1. Current employer plan, Spouse's employer plan, Parent's plan if under age 26
 2. Minimal Essential Coverage (MEC) plans may qualify