



Section 125 highlight sheet

Offered by Conseco Worksite through P&A Group

A Section 125 plan allows employees to use pre-tax dollars via a Flex Spending Account (FSA) to pay for items such as unreimbursed medical expenses, child- and dependent-care expenses, online pharmacy expenses, adoption expenses and other individually purchased health insurance. The tax savings reduce employee federal, FICA and state taxes, resulting in higher net take-home pay.

User-friendly features

- Convenient FSA debit card technology that eliminates out-of-pocket expenses and allows for 24/7 access to account balances via the Internet
- Other reimbursement options include direct deposit and check payment

Employer plan options

- **Standard Service (premium only plan) includes:**
 - Required legal documents and enrollment materials¹
 - Annual fee: No Charge
 - Monthly charge per participant: No Charge
- **Premier Service (with FSA plan) includes:**
 - Required legal documents, group presentations, one-on-one meetings
 - Available Internet and paper enrollment
 - On-staff ERISA counsel to ensure plan compliance
 - Comprehensive employer reporting package
 - Password-protected 24/7 Internet access to FSAs for all participants
 - Claims reimbursements issued Monday-Friday
 - Year-end account reminders issued to participants with remaining balances
 - Customer Service and web chat support
 - Optional services available: enrollment continuation statements, Annual Form 5500 preparation
 - Annual fee and monthly charge per participant: refer to the fee schedule

Advantages to the employer

- They can report lower wages to the IRS and pay less in matching FICA taxes
- They can offer a wider range of benefits and services, which can enhance employee satisfaction and retention

Eligibility

- Any employer group is eligible
- Most full-time, non-owner employees who meet the employer's eligibility requirements can participate in this program.
- In some instances, part-time employees can also be involved
- Minimum annual fees from the employer must be met:²
 - With debit card: \$1,250
 - Without debit card: \$1,000

Did you know?

- Section 125 plans can save employers approximately 8% in payroll taxes on every dollar employees elect to contribute.
- With the FSA debit card, employers often experience a 28% increase in participation

Expenses eligible for FSA reimbursement³

- **Medical, dental vision expenses:**
Medical supplies, lab fees, hospital bills, surgeries, doctor visits, home care, hearing devices, contact lenses and eyewear, exams/physicals
- **Over-the-counter medications:**
Cold/allergy medicines, antacids, aspirin, eye drops, feminine care, diabetes supplies, smoking cessation, diaper rash ointment, first-aid creams
- **Dependent care expenses:**
Babysitters, day care centers, nursery schools, after-school programs, day camp, elder care
- **Other types of expenses:**
individual health premiums, adoption expenses

¹Participants must complete new election forms every year.

²Based on employee participation; refer to the fee schedule for details.

³Elective cosmetic procedures are not eligible.