

PRE-TAX EMPLOYEE BENEFIT SOLUTIONS

# Stretch Your Employee's Dollar and Give Your Organization a Tax Break



## With Rising Health Costs, You Need Smarter Employee Benefit Solutions.

Since 1993, ABS has delivered hassle-free third party administration of pre-tax employee benefit plans serving tens of thousands of participants in organizations large and small from coast to coast. Our pre-tax plans give employers more ways to mitigate rising healthcare costs, while increasing employee's purchasing power.

### The ABS Difference:

**Better Service** Employers and Participants have access to a dedicated in house Account Manager and Service Team, for all matters related to their plan.

**Better Education** Higher employee satisfaction rates with annual enrollment meetings.

**Increased Participation Rates Service** Greater payroll tax savings for employers when employees understand how their benefits work.

**Easier Administration** ABS considers all aspects of your plan part of our responsibility and work closely with our clients' to handle many of the HR functions of administering pre-tax accounts.

**Benefits Debit Card** The Benefits Card is accepted at doctors' offices, medical facilities, and pharmacies allowing participants to pay for eligible medical expenses without having to use cash.

**IRS Compliant** We ensure all plans are compliant with IRS guidelines. The IRS requires that 100% of FSA and HRA transactions be substantiated, a high substantiation rate is the single biggest success factor for the benefit card program.

### Ask how we can help with COBRA Administration

COBRA Administration can be a burden for your HR staff. From the first general notice upon hire to the final coverage termination notice, we make COBRA administration easy for you.

## Take Advantage of Pre-Tax Employee Benefits.

Call Us Today at: **(877) 732-8125**

**ABS** Advanced Benefit Strategies, Inc.  
Your Flexible Benefits Specialists

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# With Our Pre-tax Employee Benefit Solutions Everybody Wins!



**Health Savings Accounts (HSA)** An HSA allows individuals to contribute funds to pay for future qualified medical expenses tax free making it a powerful retirement tool for employees.

**3 major tax benefits:**

- 1) Cash contributions to an HSA are 100% tax deductible from gross income.
- 2) Interest on savings accumulates tax-free.\*
- 3) Withdrawals from an HSA, for eligible medical expenses, are tax free.

\*Funds that are not needed for near-term expenses can be invested, providing the opportunity for funds to grow. Investment options include money market accounts, mutual funds, and self directed no trade fee mutual funds with Charles Schwab.



**Health Reimbursement Accounts (HRA)** An HRA is an employer funded, tax-free health care reimbursement arrangement, which reimburses employees for eligible out-of-pocket expenses. An HRA is generally offered in conjunction with a high-deductible medical plan, or in place of an insured dental or vision plan. The employer typically saves enough on premiums to offset HRA contributions. Ask us about ICHRA, QSEHRA and EBHRA plan designs.



**Health FSA** Employees save taxes on expenses such as: co-pays, deductibles, prescription medications, dental procedures, glasses, contact lenses, and even qualified over-the-counter items. A "Limited" FSA for dental and vision expenses stacks on top of your existing Health Savings Account (HSA) to offer the maximum employee savings.



**Dependent Care Account** Child care costs are a strain on working parents. With a Dependent Care Account, employees can save big by using pre-tax dollars on their work-related day care expenses.



**Commuter Benefits** Transportation Benefit Plans allow employees to pay for their transit passes, commuter and qualified parking costs on a before-tax basis. What this means is that LESS taxes are taken out of the employee's paycheck and MORE MONEY remains in the employee's take-home pay.



**Premium Only Plans (POP)** A POP is a tax reduction plan, not an insurance plan. The Premium Only Plan allows employees to pay for their portion of benefit plan costs on a before tax basis.



**Lifestyle Spending and Wellness Accounts** Promote healthy habits and overall well-being by creating your fully customizable, post-tax Lifestyle and Wellness account. Offering a flexible and customizable plan your employees want, simplify the participant(s) experience, while easily managing your entire offering in one place.



**Tuition Reimbursement** Stay competitive and offer this employer sponsored benefit for part or all of an employee's education to the IRS maximum.



**Adoption Assistance** Provide an employer-sponsored program that financially assists or reimburses employees for expenses pre-tax related to the adoption of a child per the IRS guidelines.

Here's an example of how to keep more of your hard earned dollars by contributing to a Health FSA for healthcare expenses.

EMPLOYEE		
	After-Tax	Pre-Tax
Your Bi-Weekly Salary	\$1200.00	\$1200.00
Pre-Tax HSA Contribution	\$0.00	-\$50.00
Pre-Tax Limited FSA Contribution	\$0.00	-\$20.00
Pre-Tax Dependent Care Contribution	\$0.00	-\$35.00
(Redirected from salary on pre-tax basis)		
Your Taxable Income is now...	\$1200.00	\$1095.00
Federal, State & FICA Taxes	\$360.00	\$328.50
(Average 30%)		
Your Take Home Paycheck is now..	\$840.00	\$871.50
<b>Your Per Period Take Home Pay Is Now Increased By...</b>		<b>\$31.50</b>
<b>Your Annual Net Income Increase:</b>		<b>\$819.00</b>

EMPLOYER		
	After-Tax	Pre-Tax
Employee Bi-Weekly Salary	\$1200.00	\$1200.00
Pre-Tax HSA Contribution	\$0.00	-\$50.00
Pre-Tax Limited FSA Contribution	\$0.00	-\$20.00
Pre-Tax Dependent Care Contribution	\$0.00	-\$35.00
(Redirected from salary on pre-tax basis)		
Taxable Income is now...	\$1200.00	\$1095.00
Employer FICA Match (7.65%)	\$91.80	\$83.77
<b>Annual employer savings for this employee</b>		<b>\$208.78</b>

*This is an example of tax savings on just one participant. The more enrollees you have the more payroll tax savings you have.*