



ASSURANT  
Health®

Employee  
**Benefits**  
Corporation



Combining Strengths

Section 105 & 125 Administration  
*HRA, POP and FSA Services*

*Time Insurance Company  
John Alden Life Insurance Company  
Union Security Insurance Company*

*Assurant Health is the brand name for products underwritten and issued by  
Time Insurance Company, John Alden Life Insurance Company and Union Security Insurance Company.*

# Two Organizations with One Goal – Expert HRA Services for You

## The Participants

Enjoy the high level of satisfaction that comes from two specialized, experienced organizations working together to provide one goal – expert HRA services for you.

### Assurant Health

- Has been offering health insurance for over 115 years through its underwriting companies.
- Uses its experience to develop innovative, affordable insurance products.

### Employee Benefits Corporation (EBC)

- Is an experienced, national third-party administrator for Section 125 (Flexible Spending Accounts and Premium Only Plans) and Section 105 (Health Reimbursement Arrangement) plans.
- Uses today's technologies to provide seamless, no-touch plan administration for both employers and their participants.

### Assurant Health's HRA Strategy

- Provide a creative way for business owners to finance affordable health insurance by combining a premium-saving medical plan with a tax-advantaged Health Reimbursement Arrangement (HRA).
- Offer an extensive array of insurance plan designs to meet employer needs with special emphasis on high deductible plans that work well with a tax-advantaged HRA.
- Add expert HRA administrative services for a seamless claims process at no additional cost to the business owner.

## The HRA Services

An HRA is a commitment by the employer to reimburse employees for some of their medical expenses – typically a portion of their deductible – on a tax-free basis.

### EBC's HRA Services at No Additional Cost

You don't pay for separate HRA administrative fees when you combine a small group insurance plan from Assurant Health with an HRA administered by EBC.

EBC's top-notch HRA administrative services include:

- Fast claims processing
- Helpful, knowledgeable resources
- Easy Web access to accounts, reports and forms

### Quick Claims Processing

Assurant Health and EBC work together to provide prompt claims handling for you and your employees. See the Claims Flow diagram below.

### Reliable Resources

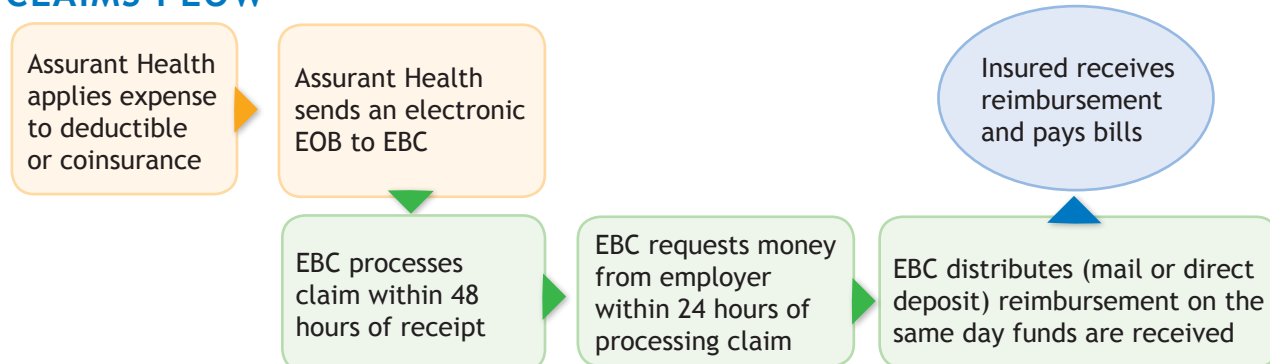
EBC's knowledgeable staff and efficient, flexible technologies can meet your information needs.

- Easy access for questions and account information through EBC's toll-free number (877-472-9696) or always-available Web site ([www.ebcflex.com](http://www.ebcflex.com))
- Compliance professionals keep abreast of regulatory changes so that your plans are designed and maintained in accordance with all current regulations

### Convenient Access to Information

At EBC's Web site, you can easily access information including an overview of HRA activity for the group, specialized summary reports and any needed forms.

## CLAIMS FLOW



## EBC's Other Tax-Saving Services

You can add other tax-saving services from EBC at no additional cost when you have an Assurant Health plan and an HRA administered by EBC.

### EBC's Popular Bestflex Plans

Bestflex plans include EBC's Premium Only Plans (POPs) and Flexible Spending Accounts (FSAs) both of which can provide tax savings for you and your employees.

### EBC's POP is a Sure Bet

**Employees save on premium.** A POP is an employee benefit plan that allows employees to pay their portion of premiums with pretax dollars. They can pay for premium on medical, dental, vision, group term life and disability insurance plans. When you have POP services from EBC, you and your employer will have the convenience of one administrator for both HRA and POP services.

**You get a tax break too!** You save 7.65% in social security taxes on every dollar that employees put in the POP. Check out the example on the back to see how easy it is to save with a POP and an HRA.

### EBC's FSA Boosts Tax Savings

Help employees pay for qualified expenses with pretax dollars, including expenses applied to their deductible.

Under Section 125 of the Internal Revenue Code, employees are allowed to have money deducted from

their paychecks before taxes and then use that money to pay for qualified expenses. Employees don't pay federal, state or social security taxes on the money they put into the plan.

There are two types of FSAs:

- A Health Care FSA allows employees to pay for medical, dental and vision expenses with pre-tax money.
- A Dependent Care FSA allows employees to pay for dependent care services incurred while they are at work. Eligible dependent expenses include child care services as well as elder care services.

Your employees determine how much they want to contribute to the FSA prior to the start of the year. As with the POP, **you save on FICA taxes** and won't incur any additional costs. Look at the example on the back to see how an HRA and FSA can work together.

Employees should estimate their qualified expenses but then elect to contribute conservatively to their FSA because any unused funds left in the account at the end of the year are forfeited to you.

### Six Simple Steps to Getting Started

- Step 1** Create your HRA plan design
- Step 2** Complete the EBC HRA Service Agreement
- Step 3** EBC provides HRA plan documents
- Step 4** EBC conducts follow-up phone call
- Step 5** Hold employee meetings
- Step 6** Complete an enrollment list of participants

*You're all set – plan begins*



## Easy to Save with a POP!

### Example

Steve earns \$40,000 per year at P&R Plumbing. Pete, owner of P&R Plumbing, employs 10 employees. Pete set up an EBC POP with an HRA. Steve is responsible for \$1,800 (\$150/month) in premium for his plan from Assurant Health. See how simple it is for Steve to increase his take-home pay with a POP.

P&R Plumbing saves on all employee contributions!

Steve's Finances	No POP	POP	P&R Plumbing's Finances	No POP	POP
Gross Annual Income	\$ 40,000	\$ 40,000	Annual Payroll	\$ 500,000	\$ 500,000
Tax-deductible Premium Outlay	\$ 0	\$ 1,800	Employee Pretax Contributions	\$ 0	\$ 18,000
Net Taxable Income	\$ 40,000	\$ 38,200	Taxable Payroll	\$ 500,000	\$ 482,000
Income and FICA Taxes (25%)	\$ 10,000	\$ 9,550	Payroll Taxes (7.65%)	\$ 38,250	\$ 36,875
Non-tax-deductible Premium Outlay	\$ 1,800	\$ 0	Savings	None	\$ 1,375
Net Take-home Pay	\$ 28,200	\$ 28,650			

Steve saves \$450

P&R saves \$1,375

## Significant Savings with an FSA

### Example

Dawn earns \$30,000 per year at Pinpoint Convenience Store. Sarah, the owner, employs 14 employees. Sarah set up an EBC FSA along with an HRA. Dawn is responsible for the first \$1,000 of a \$2,000 deductible on her Assurant Health plan.

Dawn conservatively estimates her annual family health expenses of \$750 and dependent care expenses of \$3,500. She elects to contribute to both FSAs.

Dawn's Finances	No FSA	FSA
Gross Annual Income	\$ 30,000	\$ 30,000
FSA Pretax Health Care Contribution	\$ 0	\$ 600
FSA Pretax Dependent Care Contribution	\$ 0	\$ 3,500
Net Taxable Income	\$ 30,000	\$ 25,900
Income and FICA Taxes (25%)	\$ 7,500	\$ 6,475
Medical Expenses Paid After Taxes	\$ 600	\$ 0
Dependent Care Expenses Paid After Taxes	\$ 3,500	\$ 0
Disposable Income After Expenses	\$ 18,400	\$ 19,425

Dawn saves \$1,025

Pinpoint's Finances	No FSA	FSA
Annual Payroll	\$ 450,000	\$ 450,000
FSA Pretax Health Care Contributions	\$ 0	\$ 9,000
FSA Pretax Dependent Care Contributions	\$ 0	\$ 19,200
Taxable Payroll	\$ 450,000	\$ 421,800
Payroll Taxes (7.65%)	\$ 34,425	\$ 32,270
Savings	None	\$ 2,155

Pinpoint saves \$2,155

Pinpoint saves on all employee contributions!

\*Six employees participate in the Dependent Care FSA with an average annual contribution of \$3,200.