



ASSURANT
Health®

Assurant. On your terms.®

Tax Savings for You and Your Employees



More money – for *your* business and *their* pockets

You can lower your business expenses and help employees keep more of their own money by setting up a tax-saving **Section 125 Premium Only Plan (POP)**. A Premium Only Plan allows employees to pay their portion of insurance premiums on a pretax basis. See how both you and your employees can save.

Advantages

Tax savings for employees

- Pretax dollars can be used to pay insurance premiums for: health, group term life* and dental.
- **Employees save \$25 to \$40 on every \$100** paid for qualified premium through pretax payroll deduction, depending upon their income tax rate.
- If you select an HSA plan, employees can also make contributions to health savings accounts with pretax dollars.

* Up to \$50,000 on employee.

Tax savings for employer

- **You'll pay less payroll tax** because employee contributions are subtracted from taxable payroll, resulting in savings on FICA and other payroll-related taxes.
- **You'll save 7.65%** (the FICA payroll tax match) **on every dollar** employees contribute through pretax payroll deduction.

More savings

There are **no setup or administrative fees** with Assurant Health's program which can provide additional savings to your business of hundreds of dollars each year.

Getting started

Once you have your insurance plan, set up your tax-saving Premium Only Plan. Assurant Health selected a specialist in flexible benefits so you have experts to help you make a payroll change that will get the process started.



The easiest way to see the benefits is to view some examples and then estimate your savings.

Examples of tax savings

EXAMPLE 1: Employer Savings

This example shows the potential annual savings for an employer with 10 covered employees.

	Without POP	With POP
Annual Payroll	\$300,000	\$300,000
Annual Employee Pretax Premium Contributions	\$0	(\$24,000)
Taxable Payroll	\$300,000	\$276,000
Social Security Tax (FICA Tax @ 7.65%)	\$22,950	\$21,114
Employer Payroll Tax Savings	\$0	\$1,836

EXAMPLE 2: Employee Savings

This example shows the potential annual savings for an employee who is single and has no exemptions.

	Without POP	With POP
Annual Salary	\$30,000	\$30,000
Annual POP Pretax Premium Contributions	\$0	(\$2,400)
Taxable Income	\$30,000	\$27,600
Estimated Taxes (30.65%)	(\$9,195)	(\$8,460)
After-Tax Premium Contributions	(\$2,400)	\$0
Net Take-Home Pay	\$18,405	\$19,140
Increase in Employee Take-Home Pay		\$735

Calculate your annual tax savings

Employer Estimated Tax Savings

	With POP	
Annual Payroll	\$	
Annual Employee Pretax Premium Contributions	\$	
Social Security Tax (FICA Tax @ 7.65%)	X	.0765
Employer Payroll Tax Savings	\$	

Note: Actual savings may vary depending upon specific tax situation.

Employee Estimated Tax Savings

	With POP	
Annual POP Pretax Premium Contributions	\$	
Estimated Taxes (based on 20% federal, 7.65% FICA, and 3% state tax rates*)	X	.3065
Total Annual Tax Savings	\$	

* Varies by state.

Expert service

Assurant Health selected **MHM Resources LLC**, a WageWorks company, (MHM) to administer the POPs. MHM provides complete administrative and technical support services via:

- toll-free phone number at 800-280-5065 or
- e-mail at assuranthelp@mhmbiz.com

While any employer may sponsor a Premium Only Plan, regulations prohibit a sole proprietor, partner, members of an LLC (in most cases), individuals owning more than 2% of an S corporation, or their spouses and dependents, from participating in the POP.** But by sponsoring a plan, the company will still benefit from the savings on payroll taxes.

Work with your agent regarding enrollment in our program. Even if you currently have a POP with another provider, MHM can assist with your switch to Assurant Health's program.

The effective date of the POP is typically the effective date of the insurance plan. Once your medical plan is approved, MHM sends a customized POP Plan Implementation and Administration Kit. The kit contains the legal documents and training materials for introducing the program to employees.

Easy to keep

You can benefit from this tax-advantaged program as long as your Assurant Health plan remains in force. Prior to each new plan year, MHM sends a confirmation letter regarding the POP renewal so you can continue to receive their expert services at no additional cost.

** IRC Section 125 provides complete eligibility rules.



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For more information contact
your insurance agent.

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About Assurant Health

Assurant Health has been in business since 1892 and is the brand name for products underwritten and issued by Time Insurance Company, John Alden Life Insurance Company and Union Security Insurance Company. Together, these three underwriting companies provide health insurance coverage to people nationwide. Each underwriting company is financially responsible for its own insurance products. Primary products include individual medical, small group and short-term health insurance products, as well as non-insurance products and consumer-choice products such as Health Savings Accounts and Health Reimbursement Arrangements. Assurant Health is headquartered in Milwaukee, Wisconsin, with operations offices in Minnesota, Idaho and Florida, as well as sales offices across the country. The Assurant Health Web site is www.assuranthealth.com.

Assurant Health is part of Assurant, a premier provider of specialized insurance products and related services in North America and select worldwide markets. Its four key businesses — Assurant Employee Benefits, Assurant Health, Assurant Solutions and Assurant Specialty Property — have partnered with clients who are leaders in their industries and have built leadership positions in a number of specialty insurance market segments worldwide.

Assurant, a Fortune 500 company and a member of the S&P 500, is traded on the New York Stock Exchange under the symbol AIZ. Assurant has more than \$25 billion in assets and \$8 billion in annual revenue. Assurant has approximately 15,000 employees worldwide and is headquartered in New York's financial district. The Assurant Web site is www.assurant.com.

About MHM Resources LLC, a WageWorks company

MHM an industry leader and innovator in Flexible Benefit plans, including Premium Only Plans, has been providing administration and support services for Flexible Benefits for over 20 years. MHM provides its clients a more robust, full-service POP offering.



This form is provided with the understanding that Assurant Health and its legal entities are not engaged in rendering tax or legal advice. If tax or legal advice is required, seek the services of a qualified tax professional. References are to federal tax laws. State tax laws may differ. Federal and state tax laws are subject to change.

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