

Section 125 Premium Only Plan (POP)* by CONEXIS, a division of Wage Works, Inc.

This innovative benefit helps employees pay for their share of health premiums with pre-tax income. This results in less taxes paid by employees, and lower payroll taxes and Workers' Compensation costs for the employer.

Other POP Plan advantages:

- Pre-tax deduction allows employees to take home more money
- Employee tax savings make it easier for them to assume a larger share of the premium or "buy-up" to the benefit design of their choice

Here is a sample breakdown of savings offered by a Premium Only Plan (POP):

Employer Savings		
Based on 30 employees, average \$2,000/mo. salary		
	Before POP Plan	With POP Plan
Employee Salary	\$ 2,000	\$ 2,000
Employee Premium Contribution	\$ 0	\$ 150
Taxable Salary	\$ 2,000	\$ 1,850
FICA at 7.65%	\$ 153	\$ 141
Workers' Comp (Average 3%)	\$ 60	\$ 55
Total Employee Payroll Cost	\$ 2,213	\$ 2,196
Monthly per employee savings:	\$ 17	
Annual employee savings:	\$ 204	
1st year savings with 30 employees:	\$6,120	

Employee Savings		
Savings per employee, based on \$2,000/mo. salary		
	Before POP Plan	With POP Plan
Employee Salary	\$ 2,000	\$ 2,000
Tax Free Benefit Expenses (Redirected from salary on pre-tax basis)	\$ 0	\$ 150
Taxable Salary	\$ 2,000	\$ 1,850
Taxes & FICA (Average 25%)	\$ 500	\$ 462
Take Home Pay	\$ 1,500	\$ 1,388
After-Tax Premium Contribution	\$ 150	\$ 0
Spendable income:	\$1,350	\$1,388
Employee monthly increase:		\$ 38
Annual increase and \$0 raise:		\$ 456

* Initial set-up fee is covered at no cost.

About CONEXIS, a division of Wage Works, Inc.

For more than 20 years, CONEXIS has delivered a wide range of employee benefit administration solutions to employers, third party administrators (TPAs), business outsourcing partners and health plans across the nation. Specializing in the complex areas of administration and compliance, its expertise includes COBRA and HIPAA Administrative Services; Direct Bill Services for Retirees, Leave of Absence (LOA) and Family Medical Leave Act (FMLA); and Flexible Benefits Administration, including Section 125 Flexible Spending Accounts (FSA), Section 132 Transportation Plans, Section 105 Health Reimbursement Arrangements (HRA), and Health Savings Accounts (HSA). CONEXIS was the nation's first outsourcing provider to offer benefits administration on a single Web-based, fully integrated system and is the only benefits administrator to offer performance standards and guarantees to all clients, regardless of size. For more information, visit the company's website at www.CONEXIS.org.

