



Premium Only Plan

Required Information Checklist

One-time Setup Fee: \$500

The undersigned Employer adopts the Premium Only Plan for those Employees who shall qualify as Participants hereunder. This Premium Only Plan shall become effective as specified below.

Submitted by:

Submitter's Email:

Employer's Legal Name:

Employer's Contact Name:

Employer's Contact Email:

Address:

City, State, Zip:

Telephone #:

Employer Tax ID #:

Initial Effective Date of Plan (mmddyy)
(first ever Section 125 Cafeteria Plan,
not the date moved to PayFlex):

Restated/Amended Date
(most recent date changes were made):

Plan year Start and End Date:
(Example: January 01 - December 31)

Plan Number*:

*All Welfare Benefit Plans (Premium Only Plans) start at 501. It is recommended that you use "501" or "502" as your plan number.

Nature of Business:

E-mail Completed Documents to: Submitter Employer Contact

Preparation Questions directed to: Submitter Employer Contact

The Employer hereby selects the following Plan Specifications

Check appropriate boxes:

Employee Eligibility Requirements

All Employees
 Salaried Employees
 Hourly Employees
 All full-time Employees (Define full-time: _____ hours per week)
 All Employees at the following locations:
 Union Employees
 Non-Union Employees
 Other: _____

Waiting Period/ Entry Date:

Date of hire
 First day following ___ days of employment
 First day of the month following ___ days of employment
 Other: _____

Select any of the following benefits included in the Plan:

Salary Reduction Benefits:		
Pre Tax	Post Tax	Benefits Available
<u>Basis</u>	<u>Basis</u>	
<input type="checkbox"/>	<input type="checkbox"/>	Medical Insurance
<input type="checkbox"/>	<input type="checkbox"/>	Dental Insurance
<input type="checkbox"/>	<input type="checkbox"/>	Vision Insurance
<input type="checkbox"/>	<input type="checkbox"/>	Cancer Insurance
<input type="checkbox"/>	<input type="checkbox"/>	Weekly Loss of Time Insurance
<input type="checkbox"/>	<input type="checkbox"/>	Long-Term Disability Insurance
<input type="checkbox"/>	<input type="checkbox"/>	Employee Group Term Life Insurance
<input type="checkbox"/>	<input type="checkbox"/>	Accidental Death & Dismemberment
<input type="checkbox"/>	<input type="checkbox"/>	Group Prepaid Legal Services
<input type="checkbox"/>	<input type="checkbox"/>	Health Savings Account Benefit

Establishing a Premium Only Plan will require a change in the way payroll checks are calculated. This Plan will only affect employees who have insurance premiums for the benefits selected above deducted from their payroll checks and are participating in the Plan.

The Internal Revenue Code Section 125 Premium Only Plan states gross salary must be reduced by insurance premiums that are being funded through payroll deduction. You will need to deduct insurance premiums from gross salary before you compute FICA, federal, and any applicable state income taxes.

The example below shows a comparison without and with Premium Only Plan. Cost based on an employee who earns \$24,000, paid monthly and has 3 withholding dependents.

	<u>Without</u>	<u>With</u>
Gross Salary	2,000	2,000
Insurance Premium (pre-tax)	N/A	200
Taxable Salary	2,000	1,800
FICA	153	138
Federal Income Tax	300	270
State Income Tax	100	90
Insurance Premium (post-tax)	200	N/A
Net Pay	1,247	1,302

Please mail application to:

PayFlex Systems USA, Inc.
Compliance Department
10802 Farnam Drive, Suite 100
Omaha, NE 68154
Fax to (402) 231-4300
eMail: compliance@payflex.com