



# GRAVIE

## Guide

# Defined Contribution: Pre-Tax and Post-Tax Employee Benefit Options

*Gravie offers pre-tax and post-tax employee benefit options for businesses of all sizes.*

*This guide compares the different options and provides facts employers should consider when determining which approach is right for their business.*

### Options for Small Employers (50 or less employees)

	<b>With Additional Income (Post-Tax Solution)</b>	<b>With a Small Employer Health Reimbursement Arrangement (SEHRA) (Pre-Tax Solution)</b>
<b>Tax Consideration for Employees</b>	The contribution is taxed as income.	The contribution is tax-free (current limits \$4,950/\$10,000).
<b>Insurance Market</b>	Individual Market	Individual Market
<b>Plans &amp; Carriers</b>	A lot! The plans and carriers available are based on the employee's zip code.	A lot! The plans and carriers available are based on the employee's zip code.
<b>Employer's Ownership Consideration</b>	All ownership models eligible; premium may be tax deductible (IRS Notice 2008-1, Notice 2015-17 and Notice 2013-54).	S-corporations & owners ineligible.
<b>Employer's Tax Consideration</b>	Contributions are taxed as employee wage and are deductible as a normal business expense.	Contributions are tax deductible (like a group health plan).
<b>Employees' Tax Credit Accessibility</b>	Yes	Yes, but may be limited as employer dollars are considered in advance of tax credits.
<b>Employer's Flexibility With the Defined Contribution</b>	The employer has the freedom to choose which employees (full-time, part-time, seasonal, etc.) to provide the contribution to and the amount in a non-discriminatory way.	The employer must offer the contribution to all full-time employees. The amount of the contribution can only vary based on the employees' family size and their age.
<b>Gravie Care – Free Benefits Support for Employees</b>	Yes ☺	Yes ☺

## Options for Large Employers (more than 50 employees)

	<b>Minimum Essential Coverage (MEC) Plan (Post-Tax Solution)</b>	<b>Minimum Value Plan (MVP) with a Health Reimbursement Arrangement (HRA) (Pre-Tax Solution)</b>
<b>Tax Consideration for Employees</b>	The contribution is taxed as income.	The contribution is tax-free (no limit).
<b>Insurance Market</b>	Individual Market	MVP (required) & Individual Market
<b>Plans &amp; Carriers</b>	A lot! The plans and carriers available are based on the employee's zip code.	A lot! The plans and carriers available are based on the employee's zip code.
<b>Employer's Ownership Consideration</b>	All ownership models eligible; premium may be tax deductible (IRS Notice 2008-1, Notice 2015-17 and Notice 2013-54).	S-corporations & owners ineligible.
<b>Employer's Tax Consideration</b>	Contributions are taxed as employee wage and are deductible as a normal business expense.	Contributions are tax deductible (like a group health plan).
<b>Employees' Tax Credit Accessibility</b>	Yes	No
<b>Employer Shared Responsibility Penalty</b>	The A penalty may be eliminated. The B penalty may apply to those that receive a subsidy.	No
<b>Employer's Flexibility With the Defined Contribution</b>	The employer has the freedom to choose which employees (full-time, part-time, seasonal, etc.) to provide the contribution to and the amount in a non-discriminatory way.	The employer must offer the contribution to all full-time employees. The amount of the contribution can only vary based on the employees' family size and their age.
<b>Gravie Care – Free Benefits Support for Employees</b>	Yes 😊	Yes 😊

### How does Gravie help employers offer employee benefits?

When employers partner with Gravie to offer employee benefits, they get assistance setting a benefits strategy and budget. Employers also get a compliant solution that relieves the administrative hassles that come with providing traditional group health benefits.

Employees get access to expert, licensed advisors and an intuitive, web-based shopping platform to help them select their benefits. They also get help year-round with any questions regarding their coverage. Gravie provides a smart tech, human touch approach to benefits that employers and employees love.