



ASSURANT
Health

Assurant Health POP

Premium Only Plans for Small Employer Groups



Tax Savings – *Music to Everyone's Ear*

This POP Sounds Good

Save on your taxes with one simple payroll change. Adding a **Section 125 Premium Only Plan (POP)** allows employees to pay their portion of insurance premiums on a pretax basis. Both you and your employees will save on taxes.

THE ADVANTAGES OF A POP

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.

Assurant Health's **Free** Offer Makes *POPs Sound Even Sweeter*

Assurant Health strongly believes in the value a POP provides to a small business – so strongly that a POP is free to all new groups. There are no POP setup fees or administrative fees, saving you hundreds of dollars a year. All groups receive a free POP provided their Assurant Health plan remains in force.



Examples of How a POP Works

The easiest way to see how a POP works is to view examples showing the money a POP can save.

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.

Starting Off with Our POP

Assurant Health selected a specialist in flexible benefits, **MHM Resources Inc., (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 assurathelp@mhmhbiz.com

Any employer may sponsor a POP. 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 POP. Even if you currently have a POP with another provider, the switch to an Assurant Health POP is simple.

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 necessary legal documents as well as helpful training materials to introduce the POP to employees.

Renewing Your POP

It's easy to retain MHM's convenient POP consultant services. Prior to each new plan year, MHM sends a confirmation letter regarding the POP renewal.

** IRC Section 125 provides complete eligibility rules.



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For more information contact
your insurance agent.

Assurant Health

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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 for almost one million people nationwide. Each underwriting company is financially responsible for its own insurance products. Primary products include individual medical, small group, short-term and student health insurance products, consumer-choice products such as Health Savings Accounts and Health Reimbursement Arrangements, as well as non-insurance products. With almost 3,000 employees, Assurant Health is headquartered in Milwaukee, Wis., and has 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 selected international markets. Its four key businesses – Assurant Solutions, Assurant Specialty Property, Assurant Health, Assurant Employee Benefits, and – 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 \$7 billion in annual revenue. The Assurant Web site is www.assurant.com.

About MHM Resources Inc.

MHM Resources Inc. (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. And because MHM is part of a national Certified Public Accounting firm, they are most qualified to ensure your Premium Only Plan is kept in compliance with IRS regulations.



MHM Resources Inc.
Your Total Flexible Benefits Solution

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.

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.

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