



The Harrison Group, Inc.

Cafeteria Plans, Transportation Plans, Health Reimbursement Arrangements & Related Services

Custom-designed benefit plans and specialized compliance services can result in substantial benefits for both organizations and their employees. Through advanced technology and personal attention, The Harrison Group provides unparalleled service that helps clients achieve their goals and bring value to their business.

Tax-free benefit plans not only result in greater employee satisfaction for employers; they also equate to a 7.65% savings in payroll taxes on every dollar that most employees direct toward these plans.

The complexity and time-consuming nature of delivering benefit plans is an ongoing challenge for organizations. However, in order to attract and retain top talent, a competitive benefits package is a must in today's market. Working in cooperation with a client's human resource specialists, The Harrison Group, Inc., can help lower the overall cost of benefits, while providing employees with access to highly qualified benefit experts.

Leading organizations entrust The Harrison Group to successfully implement and administer their specialized benefit plans. Our specialists combine extensive expertise and knowledge with flexible processes and advanced technologies to deliver reliable, unsurpassed services to employers and plan participants.

Section 125 Cafeteria Plans

A tax-advantaged benefit program, Cafeteria Plans are one of the more underrated and under used benefits available today. This plan allows employees to withhold a portion of their pre-tax income to cover certain medical expenses as well as dependent care expenses. Since these benefits are exempt from federal and state taxes, an employee's taxable income is decreased, thus increasing their disposable income. Only those expenses that are incurred by an employee during the plan year are eligible for reimbursement.

The advantage of Cafeteria Plans also extends to employers, who ultimately save money by offering employees the benefit plan. Because such pre-tax benefits are not subject to Federal Social Security withholding taxes, most employers can recoup the expense of implementing the plan within the first year.

Through Cafeteria Plans, employees can take advantage of three tax-free benefits:

Pre-Tax Health Insurance Premium Deductions or Premium Only Plans (POP) – Under this plan, employees can elect to withhold a portion of their pre-tax income to pay for their premium contribution for certain employer-sponsored group insurance plans.

Health Care Flexible Spending Accounts (FSA) – FSAs enable employees to pay for certain medical expenses on a pre-tax basis for allowable health care expenses that are not covered by insurance.

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Dependent Care Flexible Spending Accounts – Employees may withhold up to \$5,000 of their annual pre-tax income for dependent care expenses, such as daycare for their children and long-term care for their parents.

How The Harrison Group Can Help

Comprised of top-level professionals, The Harrison Group has a deep understanding of all facets of Section 125 regulations, Cafeteria Plan administration, flexible spending account regulations and flexible spending account administration. Our expert staff provides compliance guidance, assists in designing the plan, and oversees all aspects of implementing and administering Cafeteria Plans.

Our Section 125 Cafeteria Plans include:

- Plan Design
- Plan Document Preparation
- Flexible Spending Account Administration
- Non-Discrimination Testing

Section 132 Transportation Plans

Employees can turn every-day travel expenses into savings with Section 132 Transportation Plans. Through this plan, parking and transit costs can be deducted from an employee's pay as pre-tax expenses. By choosing to participate in such accounts, employees can decrease their federal and state income as well as Social Security and Medicare taxes.

Similar to Cafeteria Plans, under Section 132 employers are also able to reduce the amount they pay for Social Security and Medicare taxes. However, unlike Cafeteria Plans, there is no "use it or lose it" clause for Transportation Plans. Because of this, employees have the ability to carry over contributions to future years without forfeiture. Under this plan, employees also have the option of changing their election amount at any time during the plan year.

How The Harrison Group Can Help

The Harrison Group provides a full scope of services that allow employers to offer Transportation Plan benefits with little effort, including:

- Plan Design Services
- Plan Document Preparation
- Debit Card Technology
- Participant Account Administration

Health Reimbursement Arrangements

The rising cost of health insurance has forced many businesses to search for alternatives to their traditional group health insurance. Now more than ever, companies are turning to health reimbursement arrangements (HRA) as the solution to rising premiums.

About The Harrison Group

The Harrison Group's benefits experts focus on providing professional, friendly support and service to employers and their employees. Through advanced technology, employees are given access to individual account information 24 hours a day, seven days a week, regardless of their location. We also provide employers with timely, helpful reports that allow them to meet their accounting and reporting responsibilities.

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HRAs are funded completely by the employer and are offered in conjunction with higher-deductible, lower-premium health care insurance. With this benefit, employees can be reimbursed for eligible expenses up to a predetermined amount. At an employer's discretion, unused HRA funds can be rolled over to the next plan year, although only a small percentage of employers choose this design feature. Because employees share in the costs of health care services, employers may find that employees may be more selective with their medical selections and seek lower-priced alternatives.

Health Reimbursement Arrangements, together with minor changes to your medical plan design, often will result in substantial cost savings.

How The Harrison Group Can Help

The Harrison Group minimizes much of the employer's responsibility associated with administering an HRA by receiving and processing claims. Employers are also given the option to either issue reimbursement checks themselves or have The Harrison Group issue the checks.

The Harrison Group's in-house staff assists employers in all facets of implementing individually tailored HRA plans, including:

- Plan Design Services
- Plan Document Preparation
- Employee Account Administration
- CMS Reporting

Related Services

Form 5500 Preparation

Businesses with more than 100 participants in their welfare benefit plans are required to file a Form 5500 each year. A time-consuming and highly complex process, human resource staffs often lack the manpower or specialized skills required to complete these documents. The penalties for late filings can be significant.

The Harrison Group's professionals are knowledgeable about the challenges that may arise while completing timely, accurate and thorough Form 5500 filings. With extensive experience assisting clients with such filings, The Harrison Group can assist with a wide array of unique situations.

Non-Discrimination Testing

Section 125 Cafeteria Plans and self-funded group health plans are required to pass certain non-discrimination tests. Our firm can provide the necessary testing and issue a report summarizing the results.

For additional information, please contact:

[Richard H. Miller Jr., CPA, CFP](#)

[The Harrison Group, Inc.](#)

(610) 853-9075

Toll Free: **(855) 222-5727**

