

Flexible Benefit Plan

Medical and dependent care benefits for your employees



INNOVA BENEFIT Services, LLC

Personalized Services from Professionals Who Care

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Flexible Benefit Plan



Flexible Benefit Plans are the perfect solution for coping with the increasing cost of medical and child care. Whether you're an employer looking to offset increased premiums and enhance your benefit package or a consultant searching for a partner to enhance your value to your clients, INNOVA can offer you an affordable Flexible Benefit Plan solution that benefits both employers and employees.

Benefits to Employers

- Cost-effective employee benefit
- Employer savings on FICA taxes
- Adds flexibility to your benefit program
- Attractive benefit for recruiting employees

Benefits to Employees

- Employees will be able to pay for eligible medical and childcare expenses (many they are already paying for!) with pre-tax dollars resulting in an increase in their take-home pay.

Premium Only Plan (POP) Services

The Premium Only Plan (POP), provided under Section 125 of the Internal Revenue Code, allows your employees to pay their premiums for employer-sponsored insurance such as health, dental, vision, disability, accident, and group life (\$50,000 maximum) on a pre-tax basis. Payroll tax savings give your employees more take-home pay, and your company gets a tax break. Both the employer and the employees profit!

INNOVA offers the following POP administration services:

Legal documents and administrative forms

- Phone support concerning legal and administrative practices of a 125 plan
- Initial benefit election forms
- Advice on any known plan compliance issues

The Premium Only Plan (POP) permits employees to have their insurance premiums deducted from their paycheck on a pre-tax basis. The POP plan reduces taxes without reducing benefits.

Flexible Spending Account (FSA)

A Cafeteria Plan allows employees to pay for their employer-sponsored insurance premiums with pre-tax dollars. The employer may also implement a Flexible Spending Account into the Cafeteria Plan, which allows employees to also pay for expenses like deductibles, coinsurance, co-pays, prescription drugs, vision expenses, dental expenses, day care services, and privately owned insurance policies with pre-tax dollars. Even the most comprehensive insurance policies have out-of-pocket expenses. FSAs can help your employees save on these expenses.

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Flexible Spending Accounts encompass all the aspects of a POP plan with these additional value-added services:

- Plan design consulting
- Plan document and SPD preparation
- Customized plan enrollment booklets
- Employee enrollment meeting - onsite or via webcast
- Setup of each participant's account per enrollment form and plan parameters
- Tracking of contribution data per pay period for each plan participant
- Review of medical and dependent care claims in accordance with IRS guidelines
- Processing of reimbursements to the employees twice monthly
- Management reports
- Debit and credit card availability
- Reimbursement via check, direct deposit, debit card, or credit card
- Online participant account access
- Toll-free participant call center
- Customer support to human resources and payroll personnel
- Assistance with determination of status changes
- Daily account balance updates
- Nondiscrimination testing
- Monitoring of regulatory changes affecting your plan
- Providing a signature-ready IRS Form 5500, if applicable

The following Benefits can be added to a Cafeteria Plan:

- **Health Savings Accounts** - Employees can put pre-tax dollars into an interest-bearing account and use those funds tax-free for medical expenses.
- **Dependent Care Flexible Spending Accounts** - Employees can use payroll withholding of pre-tax dollars to pay for work-related expenses associated with the care of a live-in dependent, such as a child or elderly relative.
- **Premium Reimbursement Accounts** - Employees can set aside pre-tax dollars for the costs of insurance premiums. Premiums are only eligible if the insurance policy is an individual policy purchased by the employee.

By implementing an FSA into your Cafeteria Plan, you can reduce your employees' taxable compensation. You are also giving your employees a way to pay for out-of-pocket medical expenses, work-related daycare expenses, and privately owned insurance policies.

Money savings for Employees! - Tax Savings for you!

About INNOVA BENEFIT Services, LLC

INNOVA believes that the key to finding the best benefit plan provider is identifying one that offers a broad array of service customized to your needs. No matter how extensive a provider's product selection is, it is only good if it has the services that you require. INNOVA's focus on personalized service means that we listen to your needs and provide you with the right combination of services and the right technology resources.

INNOVA is an experienced Employee Benefit Plan Service Provider that is committed to and solely focused on providing the customized service that other large companies cannot typically offer. We know that long-term satisfaction results from paying attention to the details.

INNOVA was founded by seven shareholders who are also key professionals operating the business and servicing clients. As owner employees, we are focused in providing service satisfaction to our sponsors and participants.

INNOVA provides a breadth of flexible administrative services to clients from offices in Pennsylvania and California, with clients located throughout the US. Our staff consists of many individuals with 20 to 30 years of experience in the Health and Welfare benefits industry. All of our staff are Certified Cafeteria Plan Administrators; additionally some are also Certified COBRA Administrators.

INNOVA is set apart from other plan service providers in our desire to offer the clients the flexibility to select from a variety of enrollment methods that best suit their needs; select from a variety of reimbursement methods and give their employees the freedom to choose how they use their benefit plans. In order for a benefit plan to be successful, the Plan must be effectively communicated to the employees. To assist the participants in using their benefits, our firm provides detailed materials, offers consulting services and encourages enrollment campaigns to help your employees fully comprehend how their benefit can be used to increase their spendable income.

INNOVA is committed to servicing clients, many of whom we have worked with for years, with excellence and personalized attention. We assign our clients a dedicated account manager. We don't like to change these relationships and many relationships have existed for years. We also coordinate with clients' brokers and consultants for seamless service and communications. Too many employers and some service-providers believe these services are a commodity and that attention to compliance is not significantly important. Our firm believes that employers cannot risk non-compliance when it comes to benefits mandated by the IRS. As your service provider, we follow the rules and stay abreast of the ever-changing laws.

INNOVA BENEFIT Services offers its clients a unique combination of personalized service and state-of-the-art technology. Our clients enjoy the confidence and peace of mind that their benefit programs are being administered in a reliable and compliant manner so that they can concentrate on their core business functions.



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