



**Premium Only Plan**  
**Flexible Spending Account**  
**Health Savings Account**  
**Health Reimbursement Arrangement**

**SMALL BUSINESS**  
Association of **MICHIGAN**  
Focusing the power of small business.



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# Both the employer and employees benefit through tax-preferred methods.

With the cost of health insurance continuing to rise, most employers ask their employees to share in the cost of health insurance through premium sharing, deductibles and coinsurance.

*Learn more by contacting us at (800) 362-5461 or [sbam.org/kushner](http://sbam.org/kushner)*



## Premium Only Administration

### Self-Administered Premium-Only Plan

When you enroll in the self-administered Premium-Only Plan, you are given all the necessary document templates to administer the program yourself including a fully compliant Plan Document and Summary Plan Description, employee enrollment forms, payroll guide, and nondiscrimination / concentration testing spreadsheet. You will also have access to the Kushner & Company Project Team who will handle any questions you have along the way.

### Fully Administered Premium-Only Plan

When you enroll in the fully administered option, Kushner & Company does all the work for you.

The Plan Document and SPD is completed for your company and tailored to your specifications.

You will be contacted by a representative from the Project Team who will set up all aspects of the plan on your behalf. This option minimizes paperwork for you to complete and greatly simplifies the implementation and administration. This option also includes annual nondiscrimination testing for your company.

## Cost for Premium Only Plan

### Self Administered

\$109 one-time fee for templates

### Fully Administered

\$35.00 per month

or

### Green Paperless Discount:

\$27.50 per month

## Flexible Spending Account

A Flexible Spending Account is a low cost way for you to enhance your employee benefits package. Employees reduce federal income taxes, social security taxes, and state income taxes and allows your employees to better budget for known out-of-pocket expenses over a twelve month period.

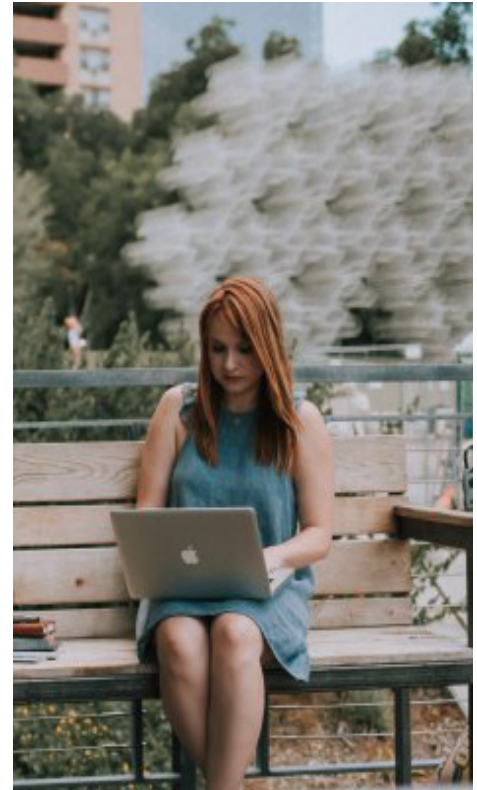
**Health Care Account:** Employees may set aside a portion of their salary through pre-tax payroll deductions to pay for medical, dental, or vision care expenses for themselves, their spouse and dependents that are not covered by any other insurance plan. These dollars go into a health care spending account and as expenses are incurred, employees can file a claim against their account and withdraw money to pay the expenses. Examples of such expenses include deductibles and co-payments, the cost of prescription drugs, vision care (including eyeglasses and contact lenses), dental care and orthodontia not covered by your group health or dental plans.

**Dependent Care Account:** Employees (and their spouse, if married) who have children and have to pay someone to watch the children so they can work, look for work, or attend school full-time. The employee can elect to set aside a portion of their salary through pre-tax payroll deduction to pay for these expenses. The dollars go into a dependent care spending account and as expenses for daycare or babysitting are incurred, employees can file a claim against their account and withdraw money to pay the expenses.

If you select the FSA administration, you will receive the Premium Only Plan administration, as well as Flexible Spending Account processing for your employees health and/or dependent care.

This includes an administration guide to aid you in the day-to-day operations of the FSA plan, employee communication materials, enrollment forms and claims kit, daily processing of employee claims, and once a week you'll receive a Deposit Report, Check Report and a Year-To-Date Benefit Summary.

Employees receive a free debit card to pay for eligible expenses that gives them direct access to their account. Your employees will have password protected online access where they can view all FSA activity within their own account.



## Cost for Flexible Spending Account Administration

\$6.00 per month per participant; free debit card (minimum \$75 per month)

or

**Green Paperless Discount:** \$5.25 per month per participant; free debit card (minimum \$52.50 per month)



## Health Savings Account

A Health Savings Account (HSA) is a tax-exempt trust or custodial account established exclusively for payment of current and future qualified medical expenses. To have an HSA, you must first have a qualified high-deductible health plan.

### Qualified Expenses

Qualified medical expenses for an HSA include health insurance plan deductibles, co-payments and co-insurance amounts, prescription and over-the-counter drugs, dental services, vision care, long-term care, psychiatric and certain psychological treatments and certain health premiums including COBRA (but not premiums while an active employee).

### HSA Contributions

Once you have established the HSA, your company, the employee or both may contribute to the HSA in a given year. For an HSA established by a self-employed individual, the individual may contribute to the HSA. In addition, family members may contribute to an HSA on behalf of another family member. Contributions to an HSA must be made in cash.

Contributions to an HSA may be made through a Section 125 Plan via the pre-tax payroll method or after-tax by making deposits. In any given year, contributions may be made until April 15 the following year. HSAs may be invested much like a 401(k) or an IRA — in an interest-bearing account, a mutual fund or stocks and bonds. Because you don't know when the HSA will be called upon for medical expenses, it is generally recommended that the majority of funds be readily accessible through a bank account.

### No Limits or Risk of Losing Funds with an HSA

There is no "use-it-or-lose-it" provision with an HSA. Any balance of funds at the end of the year may be carried over into future years with no limits.

### The HSA Stays with the Employee

Because the account is owned by the employee or individual and maintained in a trust, the account holder may use the account after he or she leaves the employer who offered the qualified high-deductible health plan. Employees receive a free debit card to pay for eligible expenses and gives them direct access to their account (when using an approved bank).



## Cost for Health Savings Account Administration

\$5.00 per month per participant; free debit card (minimum \$75 per month)

or

**Green Paperless Discount:** \$4.25 per participant per month; free debit card (minimum of \$52.50 per month)



## Cost for Health Reimbursement Arrangement Administration

\$6.00 per month per participant  
(minimum \$75 per month)  
Free debit card

or

**Green Paperless Discount:**  
\$5.25 per month per participant  
(minimum \$52.50 per month)  
Free debit card

## Health Reimbursement Arrangement

Health Reimbursement Arrangements (HRAs) are a tax-advantaged benefit that allows both employees and employers to save on the cost of healthcare.

HRA plans are employer-funded medical reimbursement plans. The employer sets aside a specific amount of pre-tax dollars for employees to pay for health care expenses on an annual basis. Based on the plan design, HRAs can generate significant savings in overall health benefits.

The most attractive feature of HRAs is that they allow for payment of all qualified health-related expenses on a pre-tax basis. All businesses, including one-person and part-time businesses, may operate an HRA plan.

Kushner & Company will provide all the necessary documentation including Custom Plan Document and Summary Plan Description (SPD), employer-specific enrollment forms, employee communication materials including an employee newsletter explains the benefits and tax savings of the plan and online benefits access, direct deposit and available debit cards.



## What Is the Kushner Green Paperless Discount?

Kushner & Company offers a green paperless option that is designed to make your life a little easier and helps you avoid higher monthly administrative fees.

When choosing the ACH method option, you receive a monthly email reminder of the amount that will be deducted to cover the cost of your administrative fees. On or around the 15th of each month, the staff at Kushner & Company will simply deduct the fee from your checking account.

This ACH payment method saves you the time and hassle of writing what, in many cases, is a very small check to cover the monthly administrative fee. From enrollment to reimbursement, Kushner Green is the electronic and environmentally aware paperless solution.

SBAM members who choose this option will receive a monthly discount on their FSA and/or HRA administration. The FSA and/or HRA Green requirements are as follows:

- All non-debit card reimbursements are direct deposited (no paper checks issued, direct deposit information for all participants required)
- All documents and reports delivered electronically (email addresses for all participants required)
- Payment of invoices by Kushner-initiated ACH payment transfer each month
- Enrollment completed and submitted using Kushner's custom formatted enrollment spreadsheet
- Reimbursement claims submitted via secure website, mobile app, or fax.

To sign up for the Green Paperless option and avoid paying more each month, simply complete the ACH enrollment form found online at [www.sbam.org/kushner](http://www.sbam.org/kushner).

***For additional information please contact us at (800) 362-5461 or visit [www.sbam.org/kushner](http://www.sbam.org/kushner).***



*SBAM partnered with Kushner & Company of Portage, Michigan because they are a top leader in the field of human resources and benefit administration. By receiving no compensation from insurance companies, brokers or sellers, Kushner offers unbiased recommendations. Their primary concern is to provide exceptional solutions that simplify benefit-related responsibilities.*

*Kushner & Company is dedicated to providing comprehensive employee benefits consulting and administration services individualized to assure your specific benefit requirements are entirely fulfilled.*

*Because the firm is a pioneer in employee benefit consulting and administration, you can have complete confidence in Kushner & Company.*