

Premium Only Plans (POP)

The key component to any employer's group benefit plan offering

Every employer should have a premium only plan in place to ensure that employees are paying for their group benefit coverages with pre-tax payroll deductions. The employee savings under a POP are significant (up to 30%) and the matching employer FICA savings will more than pay for the one-time cost of having a Plan document and SPD drafted. Here's an illustrated example of how both an employee and employer save tax dollars through the POP. For this example, we assumed that both employees are in the 22.65% marginal tax bracket.

Employee A No POP	Employee B With POP
35,000 Annual Salary	35,000 Annual Salary
<u>-7,928</u> Taxes @ 22.65%	<u>-3,000</u> Health Insurance
27,072	32,000
<u>-3,000</u> Health Insurance	<u>-7,248</u> Taxes @ 22.65%
24,072 Take Home Pay	24,752 Take Home Pay
\$2,006 Monthly Pay	\$2,063 Monthly Pay

In this example, it's clear that Employee B saved more money in taxes than Employee A when they both earned the same income and had the same amount of insurance costs.

Over the course of the year, Employee B brought home **\$684 more** in compensation than Employee A.

What Do We Offer?

The Navia POP package is a total documents package that gives you all of the necessary legal documents needed to stay in compliance. For a small one-time fee of \$300.00, you receive:

- Plan Document & SPD
- Enrollment & Communication Packets
- A discounted rate of \$150.00 for IRS nondiscrimination testing

Next Steps

To implement a POP plan, the employer completes a brief 5-minute application form. This provides Navia with all of the information necessary to draft the documents.

- Navia will invoice the employer for the one-time \$300 document fee.
- Once the invoice is paid, Navia will release the Plan document and SPD to the employer.
- Once the employer has adopted the plan, pre-tax deductions may begin. It's important to review the POP document annually and to have the documents rewritten every five (5) years.

For additional information or questions, please contact the Sales team at (425) 452-3498, or email us at sales@naviabenefits.com.