

Everyone deserves to have a support system during a pandemic



Ready to start saving money by offering huge wellness benefits for your employees at **NO COST.**

Overview:

SIMERP or Self-Funded Medical Expense Reimbursement Program is a tax qualified program that utilizes specific tax codes to immediately impact your financial bottom line at no cost to the employer. SIMERP is a program with a preventative care and wellness emphasis, designed to lower insurance costs while simultaneously improving the benefits for employees.



Reduce Worker Comp Insurance Premiums



24/7 Medical Support



No Reduction in take-home pay



No Cost to Employer

According to the 2018 Employer Health Benefits Survey, done by the Henry Kaiser Foundation, the average annual dollar amounts contributed, by covered workers in 2018 were \$1,186 for single coverage and \$5,547 for coverage. When the required deductible of an additional \$2,500 - \$5,000 is added to the premium amount, the total amounts required out-of-pocket can be devastating for many families.



KEY PLAN BENEFITS

Every business is different, this plan outlines an example for 50 employees.

* FOR ILLUSTRATION PURPOSES ONLY

- **EMPLOYEE FUNDED**

No new out-of-pocket expense for the employer and no reduction in employee's net take-home pay.
All fees and premiums paid with tax savings.

- **MAJOR SAVINGS**

Employers save an estimated \$27,500 in annual payroll taxes. Employees receive a suite of health/wellness benefits

- **HIGH OPT IN**

To date, there is a 80-100% employee participation rate compared to 30-40% of Cafeteria Plan participation.

- **VIRTUAL ER**

All sickness and accident calls. Utilization for all sickness and accident calls is 60% compared to telemedicine 3-8% nationally

- **IMMEDIATE IMPACT**

Savings are realized immediately upon each payroll run

- **ADDED BENEFITS**

Satisfy pain points of high deductibles, co-pays, and claim reductions

FOR THE EMPLOYER

NO INVESTMENT

- Immediate financial impact to the bottom line.
- \$500 average payroll savings per participating employee per year.
- Increased employee retention, loyalty & productivity.
- Reduction of claim costs averaging \$1,400 over three year period.
- Operational within 30-45 days and fully automated.

FOR EMPLOYEES

NO PAY REDUCTIONS

- Robust Personal Health Dashboard to identify opportunities for a healthier lifestyle.
- 24/7 Telehealth doctors, nurses, health coaches with no co-pay.
- Mayo Clinic wellness programs.
- Addiction recovery and counseling with no co-pay.
- Supplemental insurance benefits such as Life, Hospital Indemnity, Accident, Critical Illness and AD&D.



HOW DOES SIMERP WORK

Packaged benefits are a combination of first-dollar fixed indemnity and actual expense reimbursement coverage to help employees with out-of-pocket medical deductibles and coinsurance.

PROGRAM QUALIFICATIONS

1

Employees must be W-2

2

Employees must be full-time (at least 30 hours per week)

3

Employees must have health insurance because the program is an Integrated 105 plan. (4980D) (plans that are coordinated with insurance coverage, so that the combined arrangement provides an ACA-compliant group health plan).

Don't have coverage, don't worry, an AYG Insurance Agent can start you on a program that qualifies as low as \$30 a month.

HOW IS SIMERP SETUP

A compliant wellness plan that results in the employer's FICA-direct net profit includes three very important elements. AYG offers an automated service that includes all important elements and can process the paperwork quickly so employees get coverage by next pay period.

WELLNESS PLAN© DOCUMENT 213(D) COMPLIANT

- Provided by AYG, this document specifies the benefits provided as part of the wellness program.
- All benefits are 213(d) compliant, which allows the pre-taxing of the wellness premium and the reimbursement of that premium.

SECTION 125 CAFETERIA PLAN

- The AYG wellness program uses a Section 125 Cafeteria Plan that is funded under 106(a), allowing the pre-taxing of 213(d) compliant medical expenses.

SELF-INSURED MEDICAL EXPENSE REIMBURSEMENT PLAN© (SIMERP)™ 105-11

- The SIMERP™, as defined in 26 CFR 1.105-11, is used to reimburse participating employees dollar-for-dollar; 26 CFR 1.105-11 explains that reimbursement is not based on claims, but on the benefits of the wellness plan (k)(2). In relation to the Cafeteria Plan, the SIMERP determines reimbursement taxability (k)(1).

AYG Insurance and Financial Services has designed a system that automates the process which expedites the process, offering benefits as early as the next pay period.

A CLOSER LOOK AT

PAYCHECK EXAMPLE



Earnings			Deductions			Taxes			Net-Pays	
Payroll:	Earning Code	Hours	Amount	Deduct Code	Amount	Tax Code	Amount	Wages	Net Pay Code	Amount
Check: REG	REGULAR	80.00	3,846.40	401K	384.64	FHIEE P	55.78	3,846.40	ACHCHECK1	2,641.54
P/E Date		04/21/19			384.64	FICAEE P	238.48	3,846.40	Payment Form #	
Check Date		04/26/19				FIT P	326.64	3,461.76		2,641.54
						PALST099	2.00	3,846.40		
						PASIT P	118.08	3,846.40		
						PASUIEE P	2.31	3,846.40		
						PAX220107	76.93	3,846.40		
							820.22			
Payroll:	Earning Code	Hours	Amount	Deduct Code	Amount	Tax Code	Amount	Wages	Net Pay Code	Amount
Check: REG	LEAVE	16.00	769.28	401K	384.64	FHIEE P	48.24	3,327.17	ACHCHECK1	2,653.98
P/E Date	REGULAR	64.00	3,077.12	INS AFT TAX	81.33	FICAEE P	206.28	3,327.17	Payment Form #	
Check Date		05/05/19		SIMERP	-519.23	FIT P	264.33	2,942.53		2,653.98
				WELLADMFFEE	34.62	PALST099	2.00	3,327.17		
				WELLPRE TAX	519.23	PASIT P	102.14	3,327.17		
					\$500.59	PASUIEE P	2.30	3,846.40		
						PAX220107	66.54	3,327.17		
				Total amount of deductions	\$115.95		691.83	Tax Savings \$128.39	check increase	\$12.44

ABOUT AYG

We recognize that there is not a one size fits all solution for financial freedom. We believe in building customizable solutions for everyone. Our products and services help establish a solid foundation to assist you in achieving your goals.

Our partnership with the top providers in the industry, allow us to offer products and services that provide you the opportunity to create and build a legacy you believe in.



Here is an explanation of your paycheck with the SIMERP Wellness Program

INS AFT TAX is your supplemental premiums using your NET tax savings

SIMERP is your reimbursement for your contribution to the wellness program. This is a negative dollar amount (a.k.a credit)

WELL ADM FEE is a portion of your Gross tax savings.

WELLPRE TAX is your pretax contribution to the wellness program. This deduction and your SIMERP are the same dollar amount.

You should have no reduction in your take home pay unless your supplemental premiums exceed your wellness reserve.

POWERED BY



CONTACT US FOR A DEMONSTRATION

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