

# Premium Conversion Plan

## Service Overview

## Premium Conversion: The Advantages

- Offset rising employee benefit plan costs by decreasing payroll taxes
- Add a valuable employee benefit at no extra cost to the company
- Boost loyalty and morale by allowing employees to pay premium contributions with pre-tax dollars



## Premium Conversion: Action Plan

- Sign up for service
- Prepare plan documents
- Adopt Plan
- Distribute employee materials
- Obtain signed election forms
- Setup payroll



## Premium Conversion: Employer Tax Savings

- Premium Conversions \$15,000.00  
(100 participants @ \$150 per month)
- FICA Rate X7.65%
- Total Gross Tax Savings per month \$1,147.50  
(w/o unemployment/workmen's comp savings)
- Total Gross Tax Savings per year **\$13,770.00**  
(w/o unemployment/workmen's comp savings)

## Premium Conversion: Employee Tax Savings

• Gross monthly income	\$1,500.00
• Monthly premium contribution	<u>-150.00</u>
• Taxable income	1,350.00
• Federal income tax	74.73
• State income tax (based on 2.5% tax rate)	33.72
• Local tax	13.50
• Social Security	<u>103.28</u>
• Net monthly pay	1,124.77
• Change in monthly take-home pay	+37.09
• Change in annual take-home pay	<b>+ 445.08</b>

## Premium Conversion: Eligible Benefits

- Group life up to \$50,000
- Accident insurance
- Health & major medical
- Dental insurance
- Critical illness
- Vision insurance
- Cancer insurance
- Intensive care
- Hospital indemnity



# Premium Conversion: Client Support

- Extraordinary Customer Service
  - Infinisource, Inc. has developed relationships based on excellence in customer service for 16 years
  - Our philosophy is to serve the customer according to their needs
  - Customer Service is our first priority

# Premium Conversion: Client Support

- Legal Research
  - Our experienced legal research staff keeps the customer up-to-date on the issues affecting Sec. 125 administration
    - New legislation
    - Judicial interpretations
    - IRS rulings



# Premium Conversion: Customer Support

- Why Choose Infinisource?
  - Our Flexible Benefits Plan staff specializes in Cafeteria Plan and FSA administration and is dedicated to making this benefit work for the client

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