



INNOVATION  
HEALTH BENEFITS

# Fully Compliant Tax-Advantaged Health Care Benefit Plans *with Preventive and Wellness Management Programs*





# What is the **IHB?**

- ✓ An all-inclusive preventative healthcare management program that supplements insurance plans.
- ✓ A HIPAA-compliant participatory Medical Expense Reimbursement Wellness plan, compliant with IRS codes 125, 213, and 105, and backed by a Legal Protection Plan.
- ✓ With no out-of-pocket cost, IHB prioritizes and incentivizes preventative health care for employees and at the same time benefits employers through tax savings along the way.

# Fully Compliant

A variety of federal laws and regulations are designed to protect employees and prevent discrimination in the workplace. These include:

- Employee Retirement Income Security Act (ERISA)
- Americans with Disabilities Act (ADA) and applicable guidance from the Equal Employment Opportunities Commission (EEOC)
- Genetic Information Nondiscrimination Act (GINA)
- Health Insurance Portability and Accountability Act (HIPAA)
- Affordable Care Act (ACA)
- Plan Designed Section 125
- Auto Enroll as mandated by the Department of Labor (DOL)
- Wellness Regulations:
  - + IRS §106(a)
  - + ERISA IRS §213(d)
  - + ADA IRS §105-11
  - + HIPAA: IRS §125, IRS §105.11, IRS §104(a)(3)
- Medical Regulations:
  - + IRS §213(d)
  - + ACA
- Pre-Tax Regulations:
  - + IRS §213(d)
  - + IRS §106(a)
  - + IRS §125
- Post-Tax Regulations:
  - + IRS §213(d)
  - + IRS §105(b)
  - + IRS §105.11(i)
  - + IRS §104(a)(3)
- Reimbursement Plans as defined under 1.105.11(i)

# What **IHB** Offers

- ✔ **Health Benefits:**  
The program offers health coaching, telemedicine, behavioral health, EAP, and more!
- ✔ **Increased Education & Engagement:**  
Increase employee engagement with preventative health care and educate them about health risks before they become serious
- ✔ **Proactively Reach Employees With the Highest Medical Claims:**  
Research shows that it's mostly your healthy population that participates in programs. Our program incentivizes all parties to engage - even the unhealthiest.
- ✔ **Employees Boost Their Net Income:**  
Employees on the program will see an increase in take-home pay with participation and no out-of-pocket cost.
- ✔ **Employer Savings:**  
Employers on average will save \$600/employee per year in payroll tax savings with no out-of-pocket cost.



A close-up photograph of a globe constructed from interlocking puzzle pieces. The globe is positioned on the left side of the slide, with the puzzle pieces in shades of gold and brown. The background of the slide is a solid dark blue.

# *A Dual Approach*

**1**

## SECTION 125 CAFETERIA PLAN

This provides participants the opportunity to receive certain benefits on a pre-tax basis and has the potential to generate healthcare savings while also utilizing tax advantages under Section 125.

**2**

## WELL-BEING SERVICES AND SOLUTIONS

This offers state-of-the-art health tracking software, 24/7 telemedicine with a \$0 co-pay, online learning modules, health screenings, and more.

# Employer

**FICA Tax Savings:** Employers average \$600 to \$900 in FICA tax savings per employee each year. These savings contribute directly to the company's bottom-line profits, even without accounting for potential workers' compensation savings.

# Employee

**Increased Take-Home Pay:** Employees benefit from a zero net cost medical benefits program with no negative impact on their take-home pay. In fact, most employees see an increase in their take-home pay by approximately \$100 per month



# Employer Distribution

	WITHOUT IHB	WITH IHB	DIFFERENCE
GROSS INCOME	\$2,600.00	\$2,600.00	\$0.00
IHB Medical Pre-tax Premium	\$0.00	\$1,200.00	\$1,200.00
Employee's Monthly Gross Taxable Income	\$2,600.00	\$1,400.00	\$1,200.00
Employer's Monthly FICA Contributions	\$198.90	\$107.09	\$91.80
Employer's Annual FICA Contribution	\$2,386.80	\$1,285.20	\$1,101.60
Gross Annual Employer's Savings	\$0.00	\$1,101.60	\$1,101.60
NET ANNUAL EMPLOYER'S SAVINGS PER EMPLOYEE	IHB 1200	\$1,200.00	\$681.60
	IHB 900	\$900.00	\$406.50
	IHB 600	\$600.00	\$310.80

## IHB 1200

**Cost Per Employee**  
 Per Month: \$35  
 Per Year: \$420

**Savings Per Employee**  
 Per Month: \$91.80  
 Per Year: \$1,101.60

**NET SAVINGS PER EMPLOYEE AFTER IHB FEE**  
 Per Month: \$56.80  
 Per Year: \$681.60

Innovation Health Benefits cannot guarantee the same favorable tax outcome in all situations as federal and state tax laws are continuously changing.

# Paycheck Example

Example of employee pay making \$31,200.00 with and without IHB's program.

	WITHOUT IHB	WITH IHB	DIFFERENCE
MONTHLY GROSS INCOME	\$2,600.00	\$2,600.00	\$0.00
Pre-tax Premium Payment	\$0.00	\$1,200.00	\$1,200.00
Taxable Income	\$2,600.00	\$1,400.00	\$1,200.00
Tax Withholding	\$439.17	\$162.13	\$277.04
TRUE Health Claim Payment	\$0.00	\$1,000.00	\$1,000.00
Net Take Home Pay	\$2,160.83	\$2,237.87	\$77.04

PREMIUM  
PAYMENT

TELEMEDICINE  
PREVENTATIVE HEALTH CARE  
PROGRAMS  
LIMITED BENEFIT HEALTH

	TAX WITHHOLDING WITHOUT	TAX WITHHOLDING WITH
Federal Tax	\$169.92	\$35.42
Social Security	\$161.20	\$86.80
Medicare	\$37.70	\$20.30
State Tax	\$39.15	\$2.81
SDI	\$31.20	\$16.80
Total Tax Withholding	\$439.17	\$162.13

Increase in take-home pay using Level 5 program

**\$77.04**  
PER MONTH INCREASE

**\$924.48**  
PER YEAR INCREASE





# *Wellness Benefits Included in the Plan*

- Personal Health Dashboard (PHD)
- Wholeistic Coaching
- Telemedicine
- Employee Assistance Program
- Identity Theft & Recovery Protection
- Living 2.0 Bundle of Health Apps

# How it Works for Employees

- ✓ Employees manage their tasks and benefits on the Personal Health Dashboard (PHD), including an individual risk profile, a risk resolution center, and health reminders.
- ✓ Employees begin by activating their account and watching the intro video on their effective date.
- ✓ Employees then complete their online Health Risk Assessment (HRA) and read a monthly newsletter via email, text, or snail mail.





# Personal Health Dashboard

The PHD can be translated into over 60 languages and has many functions.

- Complete Health Risk Assessment (HRA).
- Complete behavior modification modules.
- Watch over 250 multimedia videos.
- Connect your wearable directly to the fitness tracker.
- Use “My Benefits” tab to learn more about additional free benefits.

# Mobile App

After employees activate their account, they can access their Personal Health Dashboard on the mobile app.



Search **Personal Health Dashboard** to download the app

# Plan history

When did Section 125 indemnity benefit plans become fully insured products offered by major insurance carriers, and what are some key historical milestones in their development?

**1978**

Section 125 plans were introduced, allowing for health benefits to be offered on a pretax basis.

**2010**

The Affordable Care Act was launched to improve access to health coverage for individuals nationwide.

**2014**

Wellness benefits were added to the ACA, allowing for the payment of specific wellness program activities.

**2018**

Section 125 indemnity benefit plans became fully insured products offered by major insurance carriers.

These milestones illustrate the evolution and enhancement of health benefits, leading to greater accessibility and coverage options for employees.

# *Audited Protection*



The program is backed by independent opinions from a leading law firm specializing in this field. It has undergone a comprehensive audit to ensure IRS compliance and offers legal protection of up to \$500,000 for employers and \$10,000 for each employee enrolled in the program in the event of a government audit.

This specialized law firm helps employers stay ahead of government developments and modifications to existing tax and labor regulations, providing peace of mind. Their legal team is available to assist with any demands made by government agencies regarding the use of wellness benefit plans.

Together, we  
can make  
well-being  
work for your  
employees.



# The IHB Advantage



**Implementation:** We work directly with your Human Resources and Payroll departments to ensure a seamless implementation of the Innovations Health Benefits Plan.



**Enrollment:** Our enrollment team educates employees on their new benefits, explains how and where to access them, and demonstrates how the Innovations Health Benefits Plan will result in a net increase in take-home pay for most employees.



**Administration:** Our staff manages the addition of new employees, addresses billing issues and questions, and handles claims inquiries from employees.



**Payroll Reporting:** Our payroll software interfaces with all the major payroll programs. Additionally, we generate a payroll report every pay period to ensure accurate and efficient payroll processing.



# Next Steps

1

## Run a Payroll Census

This step will illustrate company savings, increases in employee take-home pay, and enhanced employee benefits.

2

## Execute the RFC and MSA

Once these documents are signed, we can begin the implementation process.

3

## Implementation Process

We will meet with your Human Resources and Payroll departments to coordinate the execution and administration of the Innovations Health Benefits Plan.

4

## Employee Enrollment and Support

Our enrollment representatives will discuss the benefits of the Innovations Health Benefits Plan with each employee, guide them on how to enroll in the Proactive WellCare App, explain how to file an insurance claim, and answer any questions they may have.

*THANK YOU*

*A healthier, happier  
workforce starts with  
Innovation Health Benefits*

