



What is the **IHB?**

IHB is a comprehensive preventative health care program designed to integrate seamlessly with existing insurance plans. It simplifies the process of prioritizing preventative care and offers rewarding benefits for your employees. Fully HIPAA-compliant, IHB is a participatory medical expense reimbursement wellness plan that adheres to IRS codes 125, 216, and 105, and is supported by a legal protection plan.

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.

Program Highlights



Employer Savings

Employers can experience significant savings with an approximate \$600 to \$900 reduction in FICA tax per employee annually. For instance, an employer with 500 employees could save around \$300,000 each year if the savings per employee is \$600, thus boosting the company's bottom-line profits without any additional cost to the employer.

Additional savings can also be realized in worker's compensation insurance.

Employee Benefits

Employees will see an increase in their net take-home pay by approximately \$100 monthly and \$1200 annually.

Every qualified employee will receive additional supplemental indemnity benefits designed to complement, not replace, any existing employer-sponsored plan. This means employees receive valuable health benefits and an increase in their take-home pay, all at no cost to them.



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



Advantages of IHB Section 125 Cafeteria Plan

A Cafeteria Plan governed by Section 125 of the Internal Revenue Code offers several advantages:

Tax Savings: Employees benefit from lower taxable income, reducing their federal and state income taxes as well as Social Security and Medicare taxes.

Flexibility: Employees can customize their benefits to suit their specific needs and circumstances, choosing from a variety of options.

Cost Savings for Employers:

Employers save on payroll taxes due to the reduction in employees' taxable income, leading to overall cost savings.

Attraction and Retention: Offering a Cafeteria Plan helps attract and retain employees by providing a more comprehensive and customizable benefits package.

Contributions to an IHB Section 125 Cafeteria Plan are made on a

pre-tax basis, lowering the wages subject to federal income tax, Social Security tax, and Medicare tax. Since workers' compensation premiums are often calculated based on total payroll, reducing taxable wages can directly decrease premium costs for workers' compensation insurance.

Included Benefits

At no extra cost, your program encompasses a variety of well-being initiatives tailored to enhance your overall health.

- ✓ **Personal Health Dashboard:** Your PHD offers many benefits, including behavior identification modules, risk resolution guidelines, health tracking, library, videos, and more.
- ✓ **Wholistic Coaching:** We offer unlimited coaching by a registered nurse to help you understand and manage your health as well as your family's health.
- ✓ **Telemedicine:** Get unlimited sessions with no copay. Access to a licensed prescriptive-level practitioner for televisions 24/7/365. Available to the whole family.
- ✓ **Employee Assistance Program:** The Employee Assistance Program (EAP) offers services that support your well-being and resilience in work and life. There is no cost to you and it is completely confidential.
- ✓ **Identity Theft Protection:** This service monitors, alerts, and defends credit information for the entire household.
- ✓ **Living 2.0:** Living 2.0 is a bundle of health and wellness apps and self-help programs designed to do two things: improve your life and save you money.



Compliance and Legal Protection

IHB goes beyond basic wellness programs by offering an extra layer of security and compliance. This has been achieved through a full audit by a law firm to ensure IRS compliance. IHB provides legal protection of up to \$500,000 for your company and \$10,000 per employee to shield you from potential financial burdens in case of a government audit. The law firm proactively monitors legal developments to address potential issues before they arise, allowing you to offer a compliant wellness program with peace of mind.



The logo consists of the letters 'IHB' in a white, sans-serif font, centered within a circular emblem. The emblem has a dark outer ring and a lighter inner circle.

IHB

A close-up photograph of two hands shaking in a firm grip. The hands are positioned in the center of the frame, with one hand slightly above the other. The background is blurred, showing what appears to be an office or professional setting with soft lighting.

THANK YOU

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