

News Release

Benefit Administration for the Self-Employed (BASE®)

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FOR IMMEDIATE RELEASE

OVER \$3,800 SAVED ON AVERAGE BY BASE® CLIENTS ON THEIR 2007 TAXES

By working with a company that understands the tax code, the average sole proprietor enrolled with BASE® saved over \$,3800 on their 2007 taxes.

ADEL, IA – February 11, 2009. In a year when the economy is taking a hard hit, clients of BASE®, an employee benefits administrator based in Adel, Iowa, are seeing how working with a firm that understands the complicated tax code can pay off. BASE® offers small business owners solutions for managing rising medical costs by working within the limits of existing tax laws designed to benefit sole proprietors.

In the 2007 tax year, BASE® clients who are sole proprietors with a spouse who works in the business saved on average \$3,800 when they submitted \$11,000 in medical expenses for their family. The submitted expenses included healthcare premiums, co-pays, prescription costs, hospitalization costs and all other health-related expenses. These clients established a health reimbursement arrangement to realize the tax savings.

BASE® health reimbursement arrangements (HRAs) work like this: a small business owner operating as a sole proprietor must employ their spouse, which means that a written agreement is made and a wage is paid. BASE® handles all of the paperwork needed to satisfy the requirements to qualify for an HRA as set forth by the IRS, Department of Labor (DOL) and Employee Retirement Income Savings Act (ERISA). When the written agreement states that the employer reimburses employees for medical expenses, those reimbursements become legitimate business deductions for the sole proprietor. BASE® acts as a third party reviewer of reimbursed medical expenses at this point, which is another requirement to see the tax benefits of an HRA.

Small business owners rely on BASE®'s expertise in the field to save them time, money and potential tax mistakes. BASE® will also work along with a small business owner's tax professional to make sure they are receiving the deduction they deserve. To start seeing these savings in your small business, contact a BASE Benefit Specialist at 888-386-9680.

About BASE®

Established in 1999, BASE® is one of the nation's leading employee benefit administrators. BASE® offers a variety of tax savings plans for small businesses, including the 105 Health Reimbursement Arrangement (HRA) and the 125 Flexible Spending Account (FSA). To find out more about HRAs, FSAs and other employee benefit plans visit www.baseonline.com today or contact a benefit specialist at 888-386-9680.

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