

Contact: Shawndi Filby

Phone: 888-227-3105

Fax: 515-993-5454

E-mail: shawndi@base105.com

FOR IMMEDIATE RELEASE

CAFETERIA PLANS PROVIDE ADDITIONAL EMPLOYEE BENEFIT OPTIONS

Company provides health care savings today and has seen an increase in client's employee participation from 30% to 80%

ADEL, IA – November 3, 2009: More than three months ago we heard that real healthcare reform would be passed in the House of Representatives by July 31st, 2009. This plan was to revolve around President Obama's three core principles – to reduce costs, guarantee choice, and ensure every American has quality, affordable health care.

Small business owners don't have to wait another three months. Today, BASE® provides a Cafeteria Plan for businesses allowing employees to choose between different types of benefits. These plans provide much needed tax savings and increases spendable income. Employees' pretax contributions are not subject to federal, state, or FICA (SS/Medicare) taxes. Ultimately saving employees approximately 25 cents on every dollar spent on health care if utilized through a cafeteria plan option. At the same time, employers save on the employer portion of FICA, FUTA, and Workers' Compensation premiums.

Today employees may be able to save with the following options, including the new Health Care Premium Reimbursement option, when sponsored by an employer:

- Premium Only Plan (POP): providing an option that can be utilized by employees to pay their insurance premium expenses on a pre-tax basis for group health insurance coverage.
- Flexible Spending Account (FSA): allowing employees to pay their out-of-pocket medical expenses on a pretax basis.
- Dependent Care Assistance Plan (DCAP): giving employees an opportunity to pay their child and/or dependent care expenses on a pre-tax basis.
- Health Care Premium Reimbursement (HCPR): allowing employees with no corporate group health plan to obtain their own health care insurance and have the option to pay for it on a pretax basis through payroll.

Cafeteria plans are one of the best ways for employers, facing a turbulent economy, to ensure quality, affordable health care for their employees.

Roughly a third of the 50 states have adopted some form of state mandated, tax free, cafeteria plans. With more states choosing to mandate cafeteria plans, it is critical to educate employers on the advantages of these plans.

BASE® recognizes the increasing need by the consumer for service and education to properly utilize these types of plans. It is the service and education provided by BASE® that has helped clients increase employee participation from 30% to 80%. Confirming that a little education goes a long way, not to mention the payroll taxes that are saved when plans of this nature are established. In turn it's proven that healthcare savings don't need to wait until tomorrow for reform to take shape, when plans like a BASE® 125 Cafeteria plan already exist today.

About BASE®

Established in 1999, BASE® is one of the nation's leading employee benefit administrators. BASE® offers a variety of tax savings and benefit plans for small businesses, including the Health Reimbursement Arrangement (HRA) and the 125 Cafeteria Plan which includes a Flexible Spending Account (FSA), Dependent Care Assistance Plan (DCAP), Premium Only Plan (POP), and Health Care Premium Reimbursement (HCPR). To find out more about HRAs and Cafeteria Plans visit www.baseonline.com or contact a Benefit Specialist at 800-309-8012.