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**FOR IMMEDIATE RELEASE**

## **EMPLOYERS INCREASE USAGE OF CAFETERIA PLANS DUE TO NEW FEDERAL REGULATIONS**

**Employers are looking to BASE® for new Health Care Premium Reimbursement plan to allow for tax-free reimbursement of health insurance premiums.**

**ADEL, IA – July 28, 2009:** Proposed regulations went into effect on January 1, 2009 that enabled businesses not offering group health care to help employees with the cost of rising insurance premiums. With the turbulent economy, this is good news for both employees and employers.

If an employer sponsors a cafeteria plan, the employee can now elect to have premiums for an individual insurance plan deducted from their paycheck pre-tax. In order to qualify for premium reimbursement, the employee will provide proof the insurance was purchased on an individual basis; it cannot be tied to a group plan in any way. It may be more cost effective for a business to offer this option through a cafeteria plan rather than purchasing group health coverage. The employee is able to save on taxes while still having the freedom to choose an insurance plan that works best for them on an individual basis.

BASE® is an employee benefit administration firm based in Adel, Iowa and their mission is to save both businesses and employees money by offering well-packaged benefit plans and excellent customer service. Adding the Health Care Premium Reimbursement (HCPR) option to their cafeteria plan has allowed businesses to help employees with health care costs. Since January 2009, BASE has seen a 25% increase in the use of Cafeteria plans, and 70% of those employers offer the HCPR option.

BASE® President, Terry Harrington, explains the potential savings: "Since the Health Care Premium Reimbursement option allows an employee to choose their own insurance plan and pay for it on a pre-tax basis, that already saves the individual about 25%. The employee is well covered with insurance and the business owner doesn't pay the overhead associated with offering a group health plan. Both parties save valuable dollars."

To learn more about the Health Care Premium Reimbursement Plan contact BASE® at 800-309-8012 or visit [www.baseonline.com](http://www.baseonline.com).

### **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 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](http://www.baseonline.com) or contact a Benefit Specialist at 800-309-8012.