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FOR IMMEDIATE RELEASE

EMPLOYERS FORCED TO DROP INSURANCE FOR EMPLOYEES FIND NEW BENEFIT IN HCPR

Cafeteria Plan option, known as Health Care Premium Reimbursement offered by BASE®, provides an employee benefit when employers are forced to forgo insurance coverage for employees due to shrinking budgets

ADEL, IA – November 24, 2009: Since January 2009, BASE® has been assisting small business clients in implementing an employee benefit plan known as a Health Care Premium Reimbursement (HCPR). By establishing an HCPR plan, which is another option provided through a cafeteria plan, employers are still able to provide a health benefit to their employees when budgets are tight.

Many small businesses have been forced to eliminate group coverage in 2009 because they just can't afford to continue offering it. When eliminating group coverage, many employers have looked to BASE® for a unique solution when it comes to continuing to provide an employee benefit. One of a few benefit administrators who currently provide an HCPR option today, BASE® provides a plan that allows employees in eligible states to pay for individual health care premiums on a pretax basis.

In today's uncertain economy, employers are establishing cafeteria plans to at least try and stay competitive with other companies when they don't have the funds to foot the bill for an extensive benefit plan.

Small business owners have established cafeteria plans whether they are looking to enrich their current benefit plans, offset benefit cutbacks, or implement cost saving measures to retain a competitive benefit plan and increase payroll tax savings for both the employer and employee. Overall, the HCPR plan provides considerable savings for both the business owner and employees.

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 when utilizing the HCPR option. 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 is 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.

Adding the Health Care Premium Reimbursement option to their Cafeteria plan administration will allow businesses the ability to continue helping employees with health care costs.

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."

This is the perfect time for small businesses to re-evaluate their employee benefit package to see if they could be saving money that could be used to strengthen other areas of their business. You can visit www.baseonline.com to get an estimate of the savings available to you by utilizing the BASE® 125 Cafeteria Plan tax calculator.

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.