

# Fact sheet:

## Premium Only Plan (POP)



### Q: What is a POP and how does it work?

**A:** A Premium Only Plan (POP) is a Section 125 Cafeteria Plan (which includes POPs and flexible spending accounts) that allows employees to pay for their portion of employer-provided health and/or dental plans with pretax dollars. Employers deduct the employee's portion of the company-sponsored insurance premium directly from the employee's paycheck pretax.

### Q: What expenses are eligible?

**A:** Coverage may include (if offered by employer):

- Medical
- Dental
- Vision
- Disability
- Employee Group Term (up to \$50K)
- Cancer
- Medicare Supplement
- Accident
- Hospital Indemnity

### Q: What other benefits does the Further POP offer?

- A:**
- Easy to implement and administer
  - Plan document, Summary Plan Description (SPD) provided
  - Non-discrimination testing (for a fee)
  - No risk of loss
  - Helps ease employee cost-sharing

### Q: How do employers save money with Further's POP program?

**A:** Employer savings example:

	With Further POP	Without Further POP
Annual payroll (30 employees x \$40,000)	\$1,200,000	\$1,200,000
Employee POP contribution (30 employees x \$150 x 12 months)	\$54,000	\$0
Net payroll subject to payroll expense	\$1,146,000	\$1,200,000
7.65% payroll expense (FICA)	\$87,669	\$91,800
Payroll expense savings	\$4,131	None

This company saved \$4,131 in annual payroll expense with the POP. The company had 30 employees with an average annual compensation of \$40,000. Each employee contributed \$150 per month toward the medical premium.

## **Learn more.**

### **Talk to a health care spending administration expert.**

Your Further sales representative can provide more information.

Call 855-363-2583 or visit  
[hellofurther.com](http://hellofurther.com).

## **The Further difference**

Since 1989, Further has served as a trusted industry innovator, helping customers plan, save and pay for health care costs. We have a deep understanding of health plan benefit design and administration. What does this mean for you? It means you and your clients get:

- Best-in-class customer service
- Hassle-free health care savings administration
- Low fees and competitive interest rates
- State-of-the-art reporting, marketing and branding capabilities