

**What is a Defined Contribution/Premium Reimbursement Plan?
Should I consider for my business??**

**By Gary Sorenson, CEA, CLCS, PLCS, President,
Insurance Brokers of Minnesota, Inc.**

- Combines a Premium Reimbursement Account, and a FSA/HSA plan all into one simple-to-use product.
- Employer has ability to offer a “defined contribution” or tax free contributions to an employee for (1) insurance premiums, or (2) out of pocket medical expenses, or (3) both, and provide a (4) pre-tax platform for employees to pay for their out-of-pocket medical, daycare and transportation expenses along with their individual Health Insurance Premiums.

Three Components:

1. Premium Reimbursement “employer”: Employer offers tax-free money to the employee in the form of a defined contribution. That money can then be used by the employee for individual health insurance premiums. The amount and eligibility is predetermined by the employer.
2. Premium Reimbursement “employee”: Employees can contribute tax-free money toward their individual health insurance premiums on an annual basis.
3. FSA and/or HSA Component: Employees can contribute tax-free money to help pay for eligible out-of-pocket medical expenses, dependent care expenses. FSA/HSA plan type offerings are predetermined by the employer. Employer may designate contributions toward these accounts as well.

There is a lot being said about these plans. To learn more about the program developed by TASC, contact us at Insurance Brokers of MN, Inc. to see if this is maybe an option for you and your employees’ health insurance needs.