

Medical Waiver FSA Credit Program

With the rise in employer premium costs, one effective strategy used by employers is an FSA Credit option that is tied to an employee's waiver of medical insurance. This FSA Credit has been shown to encourage employees with available coverage through a spouse to utilize the other employer's coverage, and also (where the credit is expanded to include waiver for spouse or dependent coverage) to encourage the employee to cover spouses and dependents elsewhere rather than on the employer's plan. Of course, the strategy is designed to lower premium costs for the employer while still providing a valuable employee benefit by assisting employees with out-of-pocket expenses for medical care.

Sample Credit Option #1 – Medical FSA Waiver for Employee only

An FSA Credit in the amount of \$75.00 per month is made available to eligible employees waiving employee group medical insurance coverage by providing satisfactory evidence of substantially equivalent coverage provided elsewhere. The waiver must be accepted by the employer and the employer's medical insurance provider.

The Credit is non-cashable and only available as an FSA Credit. The Credit may be used for participation in the Medical FSA or Dependent Care FSA (employee election).

Sample Credit Option #2 – Medical FSA Waiver for Employee & Eligible Spouse/Dependent(s)

An FSA Credit of \$25.00 (see below) per pay period is available to eligible employees waiving employee group medical insurance for themselves or eligible spouses or dependents by providing satisfactory evidence of substantially equivalent coverage provided elsewhere. The waiver must be accepted by the employer and the employer's medical insurance provider.*

The Credit is non-cashable and only available as an FSA Credit. The Credit may be used for participation in the Medical FSA or Dependent Care FSA (employee election).

Also, the amount of the Credit granted per pay period varies according to the following schedule:

- 1) An employee is eligible for \$25.00 per pay period FSA Credit if he/she waives coverage for himself/herself OR one eligible spouse/dependent (total of one individual waived).*
- 2) An employee is eligible for \$50.00 per pay period FSA Credit if he/she waives coverage for himself/herself plus one eligible spouse/dependent, OR two eligible spouse/dependent(s) (total of two individuals waived).*
- 3) An employee is eligible for \$75.00 per pay period FSA Credit if he/she waives coverage for himself/herself plus two eligible spouse/dependent(s), OR three eligible spouse/dependents (total of three individuals waived).*

For more information on an Medical Waiver FSA Credit plan feature, or to request a proposal and/or tax savings analysis for a plan, please contact one of our Benefits Consultants – **Charles Crabbe** (888-722-8382, ext. 125, email: Charles@ProBenefits.com) or **Jamie Rorrer** (888-722-8382, ext. 136, email: Jamie@ProBenefits.com).