



UnitedHealthcare

COBRA, Flexible Spending Account and Pre-Tax Premium Plan Administration

Available for customers with 20-99¹ eligible employees

Simplified benefits administration

Save money and lighten your administrative responsibilities by offering COBRA, Flexible Spending Accounts and Pre-Tax Premium plans, through UnitedHealthcare. These services are available at no additional cost to you when you purchase medical, dental or vision coverage through UnitedHealthcare.¹

Adding these plans to your benefit programs will enable you to reduce payroll-related taxes and increase employee satisfaction. And, all you need to do is enroll in these programs and UnitedHealthcare will provide all the support you need, including templates and tools to help you effectively communicate with your employees.

COBRA administration

COBRA, or the Consolidated Omnibus Budget Reconciliation Act of 1985, enables employees and dependents who no longer qualify under an employer-provided group benefit plan to continue insurance under the group benefit plan.

Generally speaking, if you offer a group health plan and had 20 or more employees on at least half of the business days in the prior calendar year, you must comply with COBRA. COBRA applies to group health, dental and vision plans as well as retiree health plans, medical flexible spending accounts, medical reimbursement plans, health reimbursement arrangements, and some employee assistance plans.

Qualified beneficiaries must be offered the opportunity to continue the same type of coverage as they had with their group plan when certain “qualifying events” occur. COBRA notices must be provided to each beneficiary when coverage is first obtained, and when a qualifying event occurs and benefit coverage is lost.

¹ Available to employers with 2-19 employees in select markets. Please check with your UnitedHealthcare representative.



COBRA services²

When you have a UnitedHealthcare medical, dental or vision plan you get streamlined COBRA administration at no cost for all your eligible plans – even those with other vendors, e.g., dental with another. We will service all your COBRA needs with assured compliance and efficient record-keeping.

When a qualifying event occurs, you simply notify UnitedHealthcare online and we do the rest. Our COBRA administration and processing includes:

- ▶ **Employee Support:** Mailing of qualifying event notices with proof of mailing, written communication and reminders regarding account status (eligibility for COBRA disability extensions), monthly premium collection including notices of partial or late payments.
- ▶ **Employer Support:** Examination/reconciliation of current participants' account status for takeover; monthly payment invoices provided to new participants and upon renewals; immediate notification of new elections or terminations; Monthly Electronic Funds Transfer (EFT) of received premiums; technical assistance on questions about administration or compliance; reports such as payment status of enrolled participants; and listing of distributed notifications and summary listings of coverage terminations.
- ▶ **Full Compliance Services:** Appropriate distribution of HIPAA certificates when coverage is discontinued or expired, newsletters to inform you of any changes in regulations and a minimum seven-year data archival.

What's in it for clients and employees:

COBRA administration can be ongoing and complex, but all you need to do is activate our COBRA program, notify us when a qualifying event occurs and we handle all of the administrative work to ensure that your plan complies with COBRA requirements, all at no additional cost to you.

Flexible Spending Accounts (FSAs)

Flexible spending accounts (FSAs), can help your employees save on out-of-pocket expenses not covered under most benefit plans. These expenses include deductibles, coinsurance, copays, prescription drugs, eyeglasses, day care services.

When you add an FSA plan to your existing benefit package, your employees will be able to set aside portions of their salaries before taxes are calculated. This reduces employees' taxable income, meaning they will pay less in taxes and end up with more money in their pockets. The money set aside is automatically deducted from their paychecks and credited to their flexible spending accounts. As employees incur qualified expenses, they simply submit them to UnitedHealthcare and reimbursements are made from the plan.

FSA services

Our comprehensive FSA services enable you to quickly implement an FSA plan and leave the administrative work to us.

Plan design services:

- ▶ Plan Document, Adoption Resolution and Summary Plan Description
- ▶ Easy-to-understand instructions for using these materials

² UnitedHealthcare's COBRA administration services for medical, dental, vision and retiree plans are also available on a fee basis to customers who do not purchase medical coverage through UnitedHealthcare with 20+ eligible employees.

Choice of claims process and reimbursement options:

- ▶ Online submission
- ▶ Fax
- ▶ Debit card offering
- ▶ Direct deposit or mailed check

Medical expense reimbursement account:

- ▶ Set minimums or maximums
- ▶ Eligibility and grace periods:
 - Determination of employee eligibility and adoption of FSA grace period.

Enrollment support:

- ▶ E-mail, paper, Internet
- ▶ Online forms, instructions, etc.
- ▶ Ability for employees to calculate upcoming plan year elections

What's in it for clients and employees:

As with a Pre-Tax Premium plan, any client can implement an FSA and save money. How much you save depends on your payroll and how much your employees contribute toward their benefits.²

Sign up for these complimentary programs to simplify your benefits administration and save money for you and your employees. For more information regarding these services, please contact your UnitedHealthcare representative.

Pre-Tax Premium plan

You and your employees can take advantage of a valuable tax reduction through a Pre-Tax Premium plan. The Pre-Tax Premium portion of Section 125 of the Internal Revenue Code allows for the payment of employer-sponsored insurance premiums on a pre-tax basis, resulting in savings to both the employer and their employees.

The allowable employer-sponsored insurance plans that can be paid for on a completely non-taxable basis are the portion of the premium being paid by the employee. Plans that qualify under Section 125 are:

- ▶ Health
- ▶ Health Savings Account (HSA)
- ▶ Dental
- ▶ Vision
- ▶ Disability
- ▶ Accident
- ▶ Cancer
- ▶ Intensive care
- ▶ Group term life insurance for the employee (up to \$50,000 worth of death benefit coverage)

Here's how you save

Under Section 125 employee pre-tax premium contributions are not considered taxable income. As a result, your total taxable payroll is reduced, directly lowering your payroll-related taxes. Because your employees have reduced their taxable income, they pay less in federal, state, Social Security and Medicare taxes and they can actually increase their take-home pay.

Pre-Tax Premium Plan services

You don't need to worry about handling the administrative aspects of a Pre-Tax Premium plan, UnitedHealthcare will handle it for you and we will provide you with the necessary legal documents and filings required under Section 125. The following services are included in our Pre-Tax Premium plan.

- ▶ **Full compliance services:** Plan Document, Adoption Resolution and Summary Plan Description, including easy-to-understand directions for using these materials.
- ▶ **Complete, on-demand, Web-based materials:** Employee announcement letters, pre-tax payroll set-up information and nondiscrimination self-test instructions.
- ▶ **Ongoing support:** Get continued compliance and maintenance services – not just a one-time event.

What's in it for clients and employees:

It's easy to implement a Pre-Tax Premium plan and save money. How much you save depends on your payroll and how much your employees contribute toward their benefits.³

This service is complimentary when you purchase medical coverage through UnitedHealthcare. All you need to do is activate our PTP program and we administer the plan for you.

³ Note: The legal entity under which the company operates can affect individual eligibility. Partners in a partnership or limited liability partnership, members (and spouse of a member) of a limited liability corporation, self-employed individual of a sole proprietorship, and more than 2% shareholders (and family members of shareholders) in a Subchapter S corporation are not eligible to participate in a Section 125 plan.



"Highest Member Satisfaction Among Commercial Health Plans in Florida in a Tie"

UnitedHealthcare received the highest numerical score in a tie among commercial health plans in the Florida region in proprietary J.D. Power and Associates 2010 U.S. Member Health Insurance Plan StudySM. Study based on 33,986 total member responses, measuring 5 plans in Florida (excludes Medicare and Medicaid). Proprietary study results are based on experiences and perceptions of members surveyed November – December 2009. Your experiences may vary. Visit jdpower.com.

