

Section 125 Premium Only Plan

An IRS Requirement

Did you know?

HealthEquity™ provides the required services to offer benefits under Section 125 of the Internal Revenue Code.

Not sure what a Section 125, Premium Only Plan (POP) is?

A Premium Only Plan, or Cafeteria Plan, is a separate written plan maintained by the employer for employees that meet the specific requirements and regulations of Section 125 of the Internal Revenue Code. A POP Plan provides participants an opportunity to receive certain benefits on a pre-tax basis.

How do you know if you need a POP Plan?

A Section 125 Plan is the means by which an employer can offer employees a choice between taxable and non-taxable benefits. If your company offers any of the following benefits to your employees, a POP plan must be in place. A qualified benefit is a benefit that does not defer compensation, and is excludable from an employees gross income, under a specific provision of the code, without being subject to the principles of constructive receipt. Qualified Benefits include:

- Accident and Health Benefits
- Group-Term Life Insurance Coverage
- Flexible Spending Accounts
- Dependent Care Assistance
- Health Savings Accounts
- Adoption Assistance

Next Steps?

Bring your company into compliance by properly protecting the benefits you provide your employees by ensuring you have a POP plan in place.

For more information, call our toll-free Client Services number at 866-382-3510.

