

An Affordable Alternative to Group Health Insurance

Did you know...

- Employees can now pay for individual health insurance on a pre-tax basis similar to group plans
- Employers can contribute tax-free to their employees' individual health insurance costs
- Less than 45% of small employers offer health insurance today
- Health reform is expected to accelerate the switch from group insurance to individual policies

The Zane System brings the tax benefits of group insurance to individual policies

With the Zane System, companies can offer tax-free contributions to their employees' individual policies, and employees can pay for the rest on a pre-tax basis – just like a group plan. Here's how it works:

Step 1:

The employer creates a plan online and enrolls employees. Employees get their own usernames and passwords.

Step 2:

Employees individually purchase their own health insurance policies, pay the bills themselves, and add their policies to the Zane System.

Step 3:

Each month, the Zane System instructs the employer to make pre-tax withholdings and tax-free reimbursements for each employee in the plan.



Features for employees

Freedom to choose any health insurance policy and pay for it 100% tax-free

Direct relationship with the insurance company

20-40% in income and payroll tax savings on individual policy costs



Features for employers

Affordable alternative to group health insurance plans

Ability to fix health benefits costs. No employer contribution required

Painless administration for reimbursing employees through payroll

What is the Zane System?

The Zane System allows employees to receive a tax deduction for individual health insurance. It also allows employers to make tax-free contributions to employees' individual health insurance costs. This puts individual health insurance on the same tax "playing field" as group health insurance.

Email info@zanebenefits.com for more information.

How much does it cost?

Employers pay a small administration fee based on the number of employees added to the system. The tax savings typically cover the cost of the system.

Are there minimum contribution requirements?

No. There are no minimum contribution requirements. Employers may choose to make no contribution at all.

Are there minimum participation requirements?

No. There are no minimum participation requirements. Employers of all sizes can offer the Zane System.

For more information, visit www.zanebenefits.com

Frequently Asked Questions

Are employees limited to certain insurance plans?

There are no limitations. Employees may choose any health insurance policy from any health insurance provider.

What are the tax benefits for employees?

The Zane System contributions are 100% tax-free to employees. All reimbursements are excluded from employees' taxable income and are not subject to any income or payroll tax withholding (20-40%).

What are the tax benefits for employers?

The Zane System contributions are 100% tax-deductible to the company as a business expense. All reimbursements are excluded from employees' taxable income and are not subject to FICA tax withholding (7.65%).

How much time does it take to set up the Zane System?

It takes less than 20 minutes for a company to set up the Zane System. The entire system is online and there is no paperwork. Once the system is setup, on-going administration takes less than 5 minutes per month using the company's existing payroll services.

What payroll services work with the Zane System?

The Zane System works with any payroll service including those administered by outsourced providers. Several payroll providers are working closely with Zane Benefits to bring the Zane System to their clients.

Can an employer give different employees different contributions?

Yes! An employer can give employees different contributions based on employee classes. Classes must be based on bona-fide business differences (e.g. job categories, geographic location, part-time or full-time status, etc.).

Is the Zane System available in my state?

Yes! The Zane System is available in all 50 U.S. States.

Who is eligible for the Zane System?

All current and former W-2 employees are eligible for the Zane System.

Does this work for part-time employees?

The Zane System is ideal for part-time employees because it allows them to take a tax deduction for individual health insurance (saving them 20-40%) without any contributions from the employer. The company also saves an additional 7.65% in payroll taxes on the contributions.

Does this work for 1099 Contractors?

Due to its flexibility, the Zane System can be the ideal health benefits solution for 1099 contractors. Unlike W-2 employees, 1099 contractors must report all reimbursements as income on their personal tax return.

How does this work for owners?

Owners of C-Corporations may participate in the Zane System without limitation. Sole proprietors, partners, or S-Corp shareholders that own >2% of a company's shares may participate in the Zane System, but may not receive the same amount of tax benefits as non-owners. Most owners already receive an above-the-line tax deduction for individual health insurance.

Why do employers need the Zane System?

The Zane System helps ensure that an employer does not violate ERISA and HIPAA when contributing to employees' individual health insurance policies. Contributing to employees' individual health insurance costs without utilizing an ERISA-compliant system will cause the employer to "endorse" the individual health insurance plan and potentially violate employees' HIPAA-privacy rights.



Contact

800.391.9209 | info@zanebenefits.com | www.ZaneBenefits.com