

The ACA Connection For Employees

Whether your corporation has 1-49 employees or 50 and over, one of the main benefits for the corporation of a Section 162/IRS plan is that contributions are TAX DEDUCTIBLE. Furthermore, the tax deduction applies to any contributions made to the plan, whether the contribution is by the employer or employee, or both. Freedom Financial Services has the necessary documentation to assist employers in administering these deductible contributions. Setting up Section 162/IRS can provide benefits for both the employer and employee in many different sizes and circumstances. Consider the following situations:

Employer A – Business has low margins/profits and benefit plans for employees have been non-existent. Employees therefore have been on their own for health insurance and retirement planning investments.

Employer B – Business provides a fixed monthly amount to all employees for their purchase of a health insurance plan and may or may not offer any retirement plan such as a 401K, 403B, or Sep IRA.

Employer C – Business provides a group health insurance plan and either pays some or all the premiums and may or may not offer any retirement plan such as a 401K, 403B, or Sep IRA.

In all three situations, by implementing a Section 162/IRS plan, the tax savings by the company may be used to help fund the ACA health insurance plan. In addition, employers and employees may select, if they wish, lower premium health insurance plans because the financial resource in the Section 162 plan may be used to cover higher deductibles in either group or individual health insurance plans. Freedom Financial Services will gladly provide employers assistance and justification for both initiating an ACA health insurance plan and setting up a Section 162/IRS plan. Simply contact us by clicking on the Contact Us page of this website.