



Consumer Driven Accounts (CDA)



Coast to Coast Administration



**BASIC services over
18,000 employers
nationwide.**



Technology Driven HR Solutions to Take Your Company Further

Suite of HR Benefits, Payroll and Leave Management, and Compliance solutions offered individually or bundled.





Why BASIC?

- Serving clients for over 30 years
- Over 18,000 clients nationwide
- Profitable, annual growth exceeding 15%
- 95-98% client retention
- Diversified and integrated services

➤ Consumer Driven Accounts (CDA)

- New integrated system allows employers and participants to manage all their benefit plans on **one card, one website, and one mobile app**
- Choose from a wide range of healthcare benefit accounts like FSA, Simple HRA, or HSA
 - Combine with Dependent Care, Transit, Wellness Rewards, and Education Reimbursement accounts



Flexible Spending Accounts (FSA)

Medical FSA & Dependent Care FSA

Flexible Spending Accounts



FSA

Flex

Cafeteria Plan

Dependent Care



Not required

Available for
1+ employees



Regulated by the
DOL & IRS



A penalty could also
be levied against the
employer for failing
to withhold income
tax and FICA

FSA is an employee benefit available to employers who offer a group health plan. It allows employees to contribute tax deferred dollars into an account to pay for out-of-pocket medical expenses, allowing tax savings for the employees and employer.

➤ What Is an FSA?

- A Flexible Spending Account (FSA) is a benefit program that reimburses specified, incurred expenses with pretax dollars
 - Medical FSAs are governed under §125 of the Code
 - Dependent Care FSAs are governed under §129 of the Code
- Employee contributions to FSAs must be made through a Section 125 cafeteria plan through their employer

➤ Medical Plan Options

- **Grace Period** - up to two and one-half months after the end of the plan year to use funds in an FSA. Claims may be submitted for expenses incurred during the plan year and during the grace period. Grace periods are permissible for all types of FSAs.
- **Carryover** - allows participants to roll over \$550 from one plan year to the next (2020). The \$550 is not calculated into the IRS maximum contribution.
- **Run Out Period** - is the time available following the end of the plan year in which people can submit expense. Can be added to the above options.

➤ FSAs Are More Flexible!

Over-the-counter (OTC) medications and menstrual products are now FSA-eligible with the enactment of the CARES Act in 2020

- OTC medicine such as pain relief, allergy pills, cough, cold, flu, and stomach remedies
- Menstrual products including tampons, pads, liners, sponges, and cups



Simple Health Reimbursement Arrangement (HRA)

Health Reimbursement Arrangements



HRA
Medical HRA
Section 105 Plan



Not required
Available for
1+ employees



Regulated by the
DOL & IRS

Health Reimbursement Arrangements (HRA) are a versatile benefit sponsored by employers. Plans can vary dramatically to meet the unique needs of each employer.

➤ Compliance Management

- **Summary of Benefits and Coverage (SBC)** – SBCs are provided to help employees and their family members make informed health coverage decisions by enabling them to compare plans.
- **IRS Form 5500** – Provided annually for required HRA plans.
- **Medicare Secondary Payer (MSP)** – We manage all MSP filing requirements for participants and dependents.



BASIC HRA – Reduce healthcare costs

Health Reimbursement Arrangements (HRA) are a versatile benefit sponsored by employers. Plans can vary dramatically to meet the unique needs of each employer.

- BASIC was one of the first in the industry to provide HRAs in 2001 when they were first introduced
- We are experts in HRA plan designs and flexible administration
- We help employers design a plan that meets your objects and works for your company culture
- With the help of a broker or agent, employers select a higher deductible health plan and **save 15-35% on premiums**

Health Savings Account (HSA)

Health Savings Account



HSA



Not required
Available for
1+ employees



Regulated by the
DOL & IRS



Employers must make
comparable contributions
and have a Section 125
plan for payroll deferrals

HSAs are a tax savings account that is only available if it is paired with a qualified high-deductible health plan (HDHP). HDHP guidelines change each year. Visit [BASIC's website](#) for the current guidelines.

➤ BASIC HSA

- BASIC HSA pairs with any carrier HDHP, **no need to ever change HSA Trustees**
- Dedication experienced HSA Account Managers



➤ BASIC HSA

- Online enrollment
 - Participants can open their HSA account on the BASIC HSA portal
- Electronic Files (EDI)
 - BASIC accepts feeds from a wide variety of systems to simplify enrollment, ongoing eligibility management, and payroll deductions



➤ HSA Investments

- HSA funds earn interest on both their cash account and investment account
- Cash accounts earn interest, applied quarterly
- Investment accounts earn dividends, which fluctuate based on market performance
- Employees can choose a maximum cash balance for medical expenses and have excess HSA funds automatically swept into investment accounts



Commuter Accounts

Parking, Transit, and Biking

➤ Commuter – Section 132 Plans

- Parking & Transit plans fall under IRS Section 132
- This benefit allows participants to use pretax dollars to pay for qualified parking and commuter expenses
- Participants save 15%- 40% in taxes from their elections
 - Federal, State, and FICA taxes
- Employers save on FICU taxes (7.65%) for all elections



➤ What Are Qualified Expenses?

- **Transit/Commuter Passes** – a pass, token, fare card, or similar item entitling a person to transportation on mass transit facilities or provided by a person who transports people for compensation or hire, in a vehicle which seats at least six adults, excluding the driver
 - Examples include bus, subway, train, light rail, monorail, or ferry
- **Qualified Parking** – parking provided on or near the employer's business premises or at a location from which the employee commutes by carpool, commuter highway vehicle, etc.

Education Accounts

Student Loan Reimbursement & Tuition Reimbursement Account

➤ Education Reimbursement Accounts

- **Tuition Reimbursement & Student Loan Reimbursement Accounts**
- Helps recruit and retain high quality job candidates
- Complete plan flexibility options including tenure requirements, “unlocking” additional benefits over time to encourage long-term employment



➤ Student Loan Reimbursement Account

- Reimburse a percentage or set amount of an employee's monthly loan payments up to a set cap, BASIC handles the rest
- Highly valued by recent college graduates
 - Pay off loans faster
 - Build savings
- Employer contributions count as taxable income for participant, but employer funded loan payments far outweigh employee's additional tax obligation



➤ Student Loan Reimbursement Account

- Employer sets eligibility requirements such as tenure, work performance, specific roles, etc.
- Employer determines annual and lifetime maximum payment amounts
- Plan can be designed with tenure tiers to encourage long-term employment by adding additional benefits after a certain number of years
- Funding
 - Fund entire annual amount up front or on a monthly basis
 - Money in / money out – money is available to spend after it is contributed

➤ Tuition Reimbursement Account

- Allows employers to reimburse participant tuition costs with tax deductible funds incurred now or in the future
- Employers can set pre-determined level of expense, set program study parameters, and/or GPA requirements for reimbursement



Wellness Rewards Accounts

➤ Wellness Rewards Accounts

- Invest in employee health, wellness, and productivity with a Wellness Rewards program
- Employers have the flexibility to choose which behaviors they would like to reward and the reward amount



➤ Wellness Reward Example

- Amy joins a yoga studio and attends classes regularly
- Her employer rewards employees \$200 who attend 50 workouts in 6-month period
- Amy submits documentation to BASIC's CDA System for verification and then \$200 is added to Amy's MyCash account



BASIC's Technology

➤ BASIC Card

- Smart benefits card with access to all participant benefit accounts and MyCash
- Eliminates the need for reimbursement requests
- **Proprietary technology** instantly withdraws funds from the appropriate account(s)



➤ MyCash

MyCash is an unrestricted post-tax reimbursement account linked to participants' BASIC Cards.

- Reimbursements deposited directly into participants' MyCash accounts – **faster than check or direct deposit!**
 - Pay for non benefit eligible expenses from the MyCash account by using the BASIC Card anywhere Mastercard is accepted
 - Transfer MyCash funds to personal savings or checking account via one-time or recurring transfer
 - Withdraw MyCash funds at an ATM



➤ Participant Experience

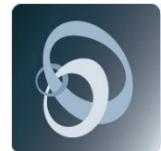
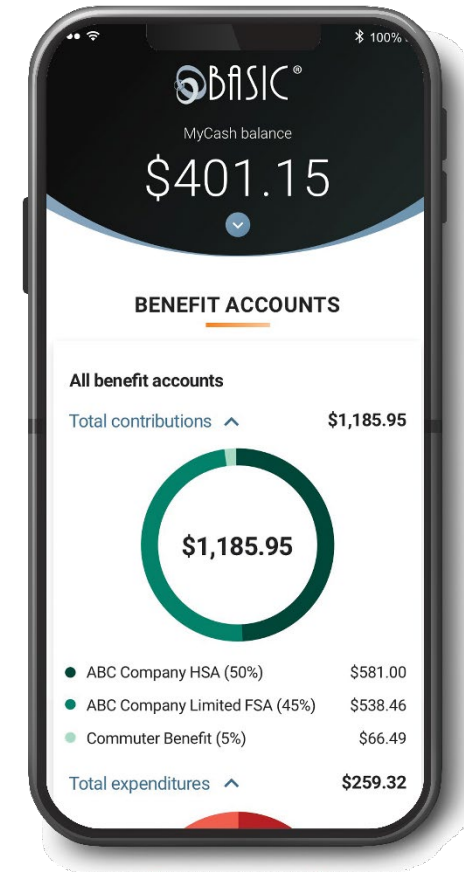
Three different ways for participants to access their various account funds:

- BASIC Card
- Picture to Pay
- Manual Reimbursement



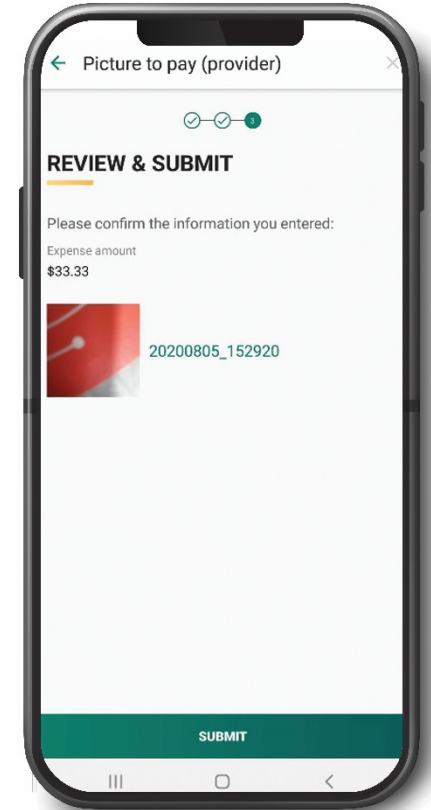
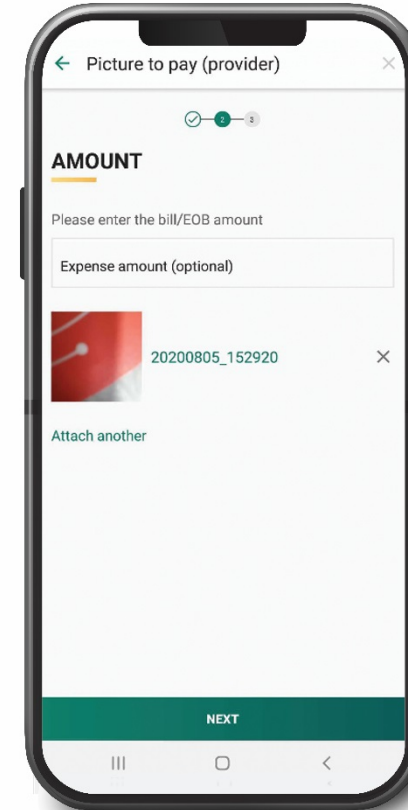
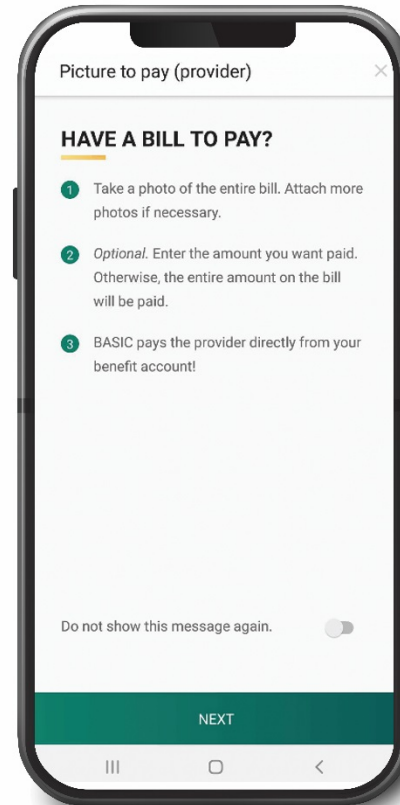
➤ BASIC Benefits App

- Participants can track and manage all their BASIC benefit accounts with a single app – **anywhere, anytime!**
- Access account information
- Request reimbursement
- Expense eligibility check
- Mobile card lock if BASIC card is lost or stolen



➤ Picture to Pay

- Take a picture of an eligible benefit expense/bill, then submit via the BASIC Benefits App
- No forms to fill out and no need to sign-in to a website
- Just click and submit and we'll take care of the rest



➤ Next Level Service

- BASIC has been building our reputation on superior customer service for over 30 years!
- Every client receives a dedicated Account Manager with direct dial and email access
- Participants have access to self-service features and our toll-free direct customer service line, with average hold times of fewer than 30 seconds



Thank you!

