

Health Insurance Without Administration!!

How To Set Up Health Insurance Benefits For Individual Health Insurance Pre-Taxed

1. **Employer need to setup a Section 125 Premium Only Plan, it cost about \$100. It has the written plan document and enrollment form employee needs to fill out.**
2. **The employer makes the decision the amount of money they would like to pay employees for their benefits (health, dental, and life insurance). This amount has no relationship to the cost of the employees insurance or benefits. It is the amount the employer wants to contribute.**
3. **Employer does not care how much or what kind of insurance the employee purchases or if the employee even buys insurance. It is the employee's responsibility to purchase their own health insurance and pay for it.**
4. **The employee can fill out the Premium Only Plan enrollment form to have health insurance premium deducted from their paycheck before payroll taxes. In most cases this will save the employee almost 32% on the cost of their health insurance. The employee needs to fill out the enrollment form and the employer needs to deduct and reimburse on the employees paycheck.**

See instruction that follow. If payroll is a problem, we have a sister company Employer Services that processes payroll for about \$20 a month for small businesses. This includes the processing of all taxes, direct deposit and W-2 at the end of the year. Call Lynn at 920-731-2100 with any questions.

QuickBooks

Payroll Account Setup:

Salary

Ctrl-N for new payroll item
Custom setup – next
Select annual salary – next
Select regular pay – next
Type – “Salary Benefits” – next
Expense account – payroll expenses – click finish

Deduction Employee Health Insurance

Ctrl-N for new payroll item
Custom setup – next
Select deduction – next
Type “Deduction Health Ins” – next
Agency liability paid – leave blank
Agency number – leave blank
Liability account – type “Employees Health Ins”
 Select set up
 Select other current liability
 Select OK
Tax tracking type – Select Premium only/125 – next
Taxes – check all items in list – next
Calculate based on quantity – select neither – next
Default rate – leave blank – click finish

Reimbursement Employee Health Insurance

Ctrl-N for new payroll item
Custom Setup – next
Select addition – next
Type “Reimbursement Health Ins” – next
Expense account – select “Employees Health Ins”
Tax tracking type – select none – next
Taxes – leave blank - next
Calculate based on quantity – select neither – next
Default rate and limit – leave blank – click finish

QuickBooks:

Health Savings Account:

Employee Contribution

Ctrl-N for new payroll item

Custom Setup – next

Select Deduction – next

Type “HSA Employee” – next

Type bank name administering Health Savings Accounts - next

Agency Number – enter bank number or leave blank - next

Liability Account – Select Payroll liabilities – next

Tax Tracking Type – Med Care Flex Spend – next

Taxes – Check everything except

- WI Withholding

- WI Unemployment Company Next

Calculate based on quantity – Select neither – next

Default rate and limit – leave blank – Click Finish

Health Savings Account Employer Contribution

Ctrl-N for new payroll item

Custom Setup – next

Select “Company Contribution” – next

Type “HSA Employer” – next

Expense Account – Create an account to track expenses

Payroll Expense, Employee Benefits or HSA Contribution Employer

Tax Tracking Type – Health Savings Account – next

Taxes – Check only

- WI Withholding

- WI Unemployment Company

Next

Calculate based on quantity – Select neither – next

Default rate and limit – leave blank – Click Finish

Information Needed to Setup Section 125 Premium Only Plan

Company Information

Legal Name of Company

Federal Employer Identification Number

Business Address

City

State

Zip

Executive Contact

Administrative Contact

E-mail address

Telephone

Fax

Is the company listed above part of a control group or are there any related companies?
If yes, attach addendum listing related employers.

Corporate Status

C Corp.

S Corp.

Govt. Entity/School Dist.

Sole Proprietor

Non-Profit

Partnership/LLP/LLC

Other (Please List) _____