HEALTH & WELLNESS BENEFITS

Benefits to Employers	Benefits to Children	Benefits to Employees/Parents
Reduces payroll taxes and workers' compensation premiums, and employer contributions are tax-deductible Improves recruitment Increases retention, reducing turnover costs Increases productivity Improves morale	Improves health through increased access to health care, including primary care, dental care, mental health care, prescriptions, preventative care, and treatment for chronic conditions Improves education and cognitive development	Improves health through increased access to health care, including greater access to primary care, preventative screenings, ambulatory care, prescription medications and chronic disease care; greater medication adherence; and higher rates of diagnosis Reduces depression Reduces stress Improves self-reported health Improves work/life balance Improves family economic security

73% of U.S. workers said health and wellness programs are a consideration in deciding whether to work for a company. (Ahuja, 2019)

Health Insurance and Wellness Benefits

Health benefits can include health, disability, dental, and life insurance, on-site wellness/fitness centers, subsidies for joining a gym, and/or wellness programs for employees, as well as employees' children or spouses.

Sample Policy

EMPLOYER provides its regular full-time employees with elective medical, dental, and vision insurance plans. Coverage is effective on the first of x month following their employment date or during the open enrollment period. The terms of each plan may change from time to time, as deemed appropriate by the Employer, and as governed by applicable federal and state law. The specific costs and coverage provided under each plan are distributed to employees upon regular full-time employment and are available through the Human Resources department. The employee may also elect to cover their spouse and/or their dependents.

COBRA:
Upon separation, an employee has the right under federal law, titled the Consolidated Omnibus Budget Reconciliation Act (COBRA), to extend individual coverage or dependent coverage for a period of up to eighteen months at their own expense. Extended coverage up to thirty-six months may be available in certain circumstances.

Group Life and AD&D Insurance:
Each full-time employee is covered under a group life Insurance policy and accidental death and dismemberment insurance plan during the term of their employment.

Short-Term Disability
Each full-time employee is covered by a short-term disability policy beginning with their first day of employment. This policy may pay a portion of an employee's wages for a period up to x weeks beginning on the 15th day of a non-work-related illness or disability (includes maternity leave), that renders the employee unable to perform the duties of their occupation. The employee must use accrued paid-time-off (PTO) or other available leave time during the elimination period, depending on availability.

The employee is not required to exhaust their accrued paid-time-off prior to being eligible for short-term disability. Further, the employee may elect to supplement their short-term-disability benefit with paid-time-off (PTO) up to an amount not to exceed their regular pay. Due to plan restrictions, banked sick leave must be exhausted before being eligible for short-term disability.

Long-term Disability
Each regular full-time employee is eligible to be covered beginning with their first day of employment. This policy may pay a portion of an employee's wages until later of age 65 or social security retirement, beginning on the 91st day of an illness or disability that renders the employee unable to perform the duties of their occupation.

401K Plan
A 401K Plan is provided by EMPLOYER after one full year of full-time employment; sign up available first day of the month following one year of employment. The plan summary is obtainable upon request and may change from time to time. Currently, EMPLOYER offers x% employer match for eligible employees.

Active Health Benefit
Regular full-time employees are eligible for an annual Active Health benefit. The benefit provides for eligible employees to be reimbursed for expenses incurred for health, medical or recreational activities, programs, supplies, or materials that enhance their personal physical and/or emotional wellbeing.

Employees will complete the Active Health Dollars Reimbursement Form and submit to HR, along with copies of any receipts. Determination of which expenses are qualifying is at the sole discretion of the HR department. When in doubt, check with HR prior to incurring the expense.

Employees are eligible for the Active Health benefit upon hire. The program provides for reimbursement of qualifying expenses based on the following schedule:

Full-time employees: Up to $1000
Part-time employees: Up to $500
Note: Annual Active Health benefits are prorated at 50% if the employee is hired on or after July 1st. Limitations apply

Flexible Spending Accounts

A Flexible Spending Account (FSA) is a pre-tax benefit account in which employees put money that can be used to pay for certain out of pocket health care costs, tax-free. A Dependent Care Flexible Spending Account (DCFSA) or dependent care reimbursement account, is a pretax benefit account used to pay for eligible dependent care services, such as childcare, preschool, and before or after school programs.

Sample Policy FSA

EMPLOYER'S Flexible Spending Account (FSA) plan offers full-time regular employees the opportunity to set aside money from each paycheck before taxes are taken to be used for certain dependent care and unreimbursed health care expenses, as well as non-EMPLOYER health insurance premiums in the employee's name. Section 125 of the Internal Revenue Code allows EMPLOYER to provide this pre-tax benefit; however, it also locks the participant into the benefit as well as the payroll deductions until the next open enrollment period unless a qualifying event occurs. Please note that the IRS has set a limit of $10,500 per year for reimbursable dependent care expenses.

The FSA plan allows you to pay for certain expenses throughout the year in installments. It reduces your amount of taxable income, thereby saving you money. It is important that you only use this for definite expenses since the money cannot be refunded. If you have childcare payments, take maintenance medications, or have scheduled a medical procedure, the FSA plan may be a good option.

Here's how it works: You have a surgery scheduled in June that will cost you $1,300 out of your pocket. EMPLOYER splits up the large cost into a per pay period amount and withholds $50 (for an hourly paid employee) from each paycheck for the entire year, (pretax). When you get the $1,300 medical bill, you send it to our Flexible Spending Account administrator along with valid receipts/statements and a reimbursement is made to you. You can enroll in the FSA plan as a new hire or during our annual open enrollment. Changes to the plan throughout the year are allowed only if a qualifying event occurs (birth, marriage, divorce, etc.).

Rollover: EMPLOYER offers a rollover option. You may rollover $500 to the following year; however, all other unused funds will be forfeited. See summary plan description for filing details.

Sample Policy DCFSA

EMPLOYER has partnered with CollegeInvest, at no cost to the employer or employee, to offer our employees access to Colorado's 529 College Savings Program as part of our benefits package. This opportunity will allow our employees to use a tax-advantaged college savings plan, made available through the Colorado Department of Higher Education, to save for higher education expenses for their children, grandchildren, even themselves. This program allows you to easily save for college by setting up a direct deposit from your paycheck or establishing automatic transfers from your checking to savings account. Deposits are made with after-tax dollars, and you'll receive a state income tax deduction for every dollar you contribute. Funds can be used for children, grandchildren, or even yourself.

State Tax Benefits: Every dollar you contribute to CollegeInvest 529 can be deducted from your Colorado state income tax return.

Federal Tax Benefits: Earnings grow tax free for both federal and state. Withdrawals used for qualified higher education expenses aren't taxed on your federal or state tax return.

Nationwide Access: Money can be used nationwide at eligible public or private college, university, vocational, or trade school.

Beneficiary Options: You name the beneficiary and have the ability to change the beneficiary as you choose.

New First Step Program: $100 contribution for babies born in Colorado starting 1/1/20.

Health Savings Accounts

A Health Savings Account (HSA) is a pre-tax benefit account in which employees can set aside money to pay for qualified medical expenses. This account is controlled by the employee.

Sample Policy

Employees of EMPLOYER participating in our High Deductible Health Plan (HDHP) may participate in a Health Savings Account (HSA). The advantage of an HSA is that money going into the HSA is tax-free, earns interest tax-free and is not taxed when withdrawn to pay for qualified medical, dental and vision expenses. The HSA is not an employer-sponsored employee benefit plan. It is a savings account that is established and maintained by an HSA trustee/custodian to be used primarily for reimbursement of "qualified eligible medical expenses" as set forth in Code Section 223(d)(2). The EMPLOYER has no authority or control over the funds deposited in an HSA. Even though the EMPLOYER may allow pre-tax salary reduction contributions to an HSA, the HSA is not intended to be an ERISA benefit plan sponsored or maintained by the EMPLOYER.

ESTABLISHING THE HSA

Most financial institutions, credit unions and banks can assist with setting up an HSA. Insurance companies are also approved to offer HSA services. The HSA should only be used to pay for or reimburse qualified medical expenses that are incurred after the HSA is established. Employees will be responsible for managing their HSA, including choosing how their HSA funds are invested, creating their account, and following the rules that the HSA trustee/custodian and the IRS impose. Once the Company's contributions have been deposited in the employee's HSA, the employee will have a non-forfeitable interest in the funds and will be free to request a distribution of the funds or to move them to another HSA provider, to the extent allowed by law.

ELIGIBILITY Full-time employees participating in our HDHP are eligible for an HSA 90 days from their date of hire provided that the employee:

- Cannot be claimed as another person's tax dependent
- Is not entitled to Medicare benefits
- Does not have any health coverage other than the EMPLOYER's HDHP coverage (except for certain types of permitted insurance or coverage as discussed in IRS Publication 969).

An employee will not be an HSA-eligible individual if covered under a spouse's or domestic partner's non-HDHP.

CONTRIBUTIONS

Our company provides x amount in employer contributions into the HSA annually for eligible participants. Eligible employees may also contribute to their HSA. The annual maximum deposit to an HSA is based on the federal tax-deductible limits on HSA contributions. All HSA contributions become the property of the employee, regardless of the source of contributions. Funds deposited but not withdrawn each year will carry over into the next year. If an employee ends their HSA-eligible insurance coverage (e.g., because the employee ends participation in an HDHP or separates from service), the employee loses eligibility to deposit further funds but funds already in the HSA remain available for use for qualified expenses for the lifetime of the employee, their spouse or tax dependent. Although the EMPLOYER expects to continue this HSA program indefinitely, it has the right to amend or terminate the HDHP and/or suspend or terminate HSA contributions at any time for any reason. It is also possible that changes to the program may be necessary or advisable because of future changes in state or federal tax laws.

ENROLLMENT

To participate in an HSA, please see Human Resources for the appropriate forms. Participation in the HSA program is entirely voluntary, and participants may terminate their participation at any time by notifying EMPLOYER.

WITHDRAWALS

Distributions from the HSA will be tax-free to a participant if they are for expenses incurred for medical care (as defined in Code section 213(d)) or the medical care of the participant’s legal spouse or tax dependents. Expenses generally must have been incurred after the establishment of the HSA to qualify. HSA distributions used to pay insurance premiums will not be tax-free unless they are used for COBRA or USERRA coverage, qualified long-term care insurance, health insurance maintained while the individual is receiving unemployment compensation under federal or state law or health insurance for an individual age 65 or over (other than a Medicare supplemental policy). HSA funds can also be withdrawn for nonmedical reasons, but such distributions must be included in a participant’s taxable income and generally will be subject to an additional 20% excise tax. The excise tax will not apply to certain distributions made after death, disability or attaining the age of 65. More information about HSAs, including who is eligible, other health coverage that might disqualify an individual from being eligible, contribution limits, distributions, and other rules, are set forth in IRS Publication 969(Heath Savings Accounts and other Tax-Favored Health Plans), and is updated annually.