



STERLING HSA®
HEALTH SERVICES ADMINISTRATION

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Premium Only Plan Document Service

Section 125 Premium Only Plans (POP Plans) are a great way to save employers and employees money. POP Plans reduce income tax liabilities for both the employer and employee by allowing employees to pay their portion of medical insurance premiums and HSA contributions on a pre-tax basis.

Employee Benefits

Employees can often realize 30% to 40% in tax savings because contributions to the POP are exempt from all Federal and state payroll taxes. Of course actual savings will vary depending upon the employee's tax situation. As a result of tax savings, take home pay is increased by reducing gross taxable wages.

Employer Benefits

Employers also realize savings by offering a POP to employees. About 10% tax savings is a good estimate as a result of lower Social Security, Medicare, Federal and state unemployment and, worker's compensation taxes, depending on the state. The savings add dollars to the employer's bottom line.

POP Plan Services Offered by Sterling

To set up a POP Plan, the following questionnaire needs to be completed and returned to Sterling HSA. Be sure to check the box indicating whether you choose the Basic or Comprehensive POP. Once we have processed the employer's questionnaire, we will produce the following POP Plan documents for the employer's records and for distribution to employees who participate in the POP.

- Specimen POP Plan document
- Custom Adoption Agreement
- Summary Plan Description (SPD)

Return the completed questionnaire to Sterling HSA by email to customer.service@sterlinghsa.com) or fax to 877-517-4729. Payment of \$175 or \$350 must also be received by Sterling to finalize processing and setup of your POP Plan. Please send your payment to the following address and make the check payable to Sterling HSA.

Please send your payments to:

Sterling HSA
P.O. Box 71107
Oakland, CA 94612

Disclosure Statement: Sterling Health Services Administration provides the documents to establish the POP Plan, but employers are advised to review the documents with their legal counsel and direct legal questions there.

TO CREATE YOUR PREMIUM ONLY PLAN (POP) DOCUMENT, STERLING HSA NEEDS THE FOLLOWING INFORMATION. PLEASE COMPLETE THIS FORM IN ITS ENTIRETY. ALL INFORMATION IS NECESSARY FOR DOCUMENT CREATION. PLEASE RETURN YOUR COMPLETED APPLICATION TO US VIA EMAIL: CUSTOMER.SERVICE@STERLINGHSA.COM OR VIA FAX TO: 877-517-4729.

Section 1 – Company Information:

Company Legal Name: _____

Address: _____

City, State, Zip: _____

Company Main Phone Number: _____

Company Main Fax Number: _____

Website: _____

Entity Type:

- C CORPORATION S CORPORATION NON-PROFIT
 SOLE PROPRIETORSHIP LLC LLP PARTNERSHIP
 UNION GOVERNMENT AGENCY

Please indicate if you are a member of an Affiliated Service group: NO YES

If "Yes", list all other members of the group: _____

Please indicate if you are a member of a Controlled group: NO YES

If "Yes", list all other members of the group: _____

State Of Corporation/Partnership:

Federal Tax Id: _____ Fiscal Year End Date: _____

If fee will be paid through a bank ACH, please provide:

Bank Account Number: _____

Bank Routing Number: _____

Section 2 – Contact Information:

Primary Contact: (For contact regarding contracts, legal documents, daily administration, invoicing and plan renewal)

Name: _____

Title: _____

Company: _____

Phone Number: _____ Fax Number: _____

Email: _____

Lead Broker Contact:

Name: _____

Company: _____

Phone Number: _____

Fax Number: _____

Email: _____

Section 3 – Plan Information:

All employers complete the following:

Plan year is a **FULL** plan year (12 months)

Full plan year begins: / /

Sterling offers two types of POP Plans - Basic and Comprehensive:

- **Basic POP** – does not include nondiscrimination testing. The set-up fee is \$175.
- **Comprehensive POP** – Includes nondiscrimination testing and is a good value for employers who do not have internal legal counsel, accounting or other appropriate resources to complete the nondiscrimination testing. In order to perform nondiscrimination testing for our clients, Sterling requires certain information to be provided by the company. If the client does not provide this information in a timely manner, any resulting lack of compliance is not the responsibility of Sterling HSA. The set-up fee is \$350. Annual renewal is also \$350. There is a \$50 per hour charge for client requested changes to plan documents after initial set-up. This applies to all changes after the first 30 days.

Choose the POP Plan:

BASIC: \$175 fee (does not include nondiscrimination testing)

COMPREHENSIVE: \$350 set-up and annual renewal fee (nondiscrimination testing included)

Select the types of insurance plans offered to employees through the Premium Conversion Account:

- | | |
|---|---|
| <input type="checkbox"/> EMPLOYER GROUP MEDICAL | <input type="checkbox"/> EMPLOYER DISABILITY |
| <input type="checkbox"/> EMPLOYER DENTAL | <input type="checkbox"/> EMPLOYER GROUP TERM LIFE |
| <input type="checkbox"/> EMPLOYER VISION | <input type="checkbox"/> HEALTH SAVINGS ACCOUNT (HSA) |

Eligible employees to participate as of:

- THE EFFECTIVE DATE OF HEALTH INSURANCE COVERAGE
- THE DATE OF HIRE
- THE FIRST DAY OF THE MONTH FOLLOWING _____
(EXAMPLE: FOLLOWING 90 DAYS OF EMPLOYMENT)
- OTHER ELIGIBILITY REQUIREMENT (PLEASE SPECIFY): _____

Indicate whether the plan will make any other revisions to the term "eligible employee":

- NO YES

If "Yes", please describe: _____

Frequency of entry dates (when employees will be enrolled in the plan):

- IMMEDIATE FIRST DAY OF THE CALENDAR MONTH
- FIRST DAY OF EACH PLAN QUARTER
- FIRST DAY OF THE FIRST MONTH AND SEVENTH MONTH OF THE PLAN YEAR
- FIRST DAY OF THE PLAN YEAR

If not "immediate", selection of entry date:

- COINCIDENT WITH OR NEXT FOLLOWING NEXT FOLLOWING

Application Agreement / Signature

We, the undersigned employer, affirm the accuracy of this application and acknowledge that this application can be relied upon for the preparation of the Premium Only Plan with Sterling Health Services Administration and may be used in preparation of the Summary Plan Description and/or Plan Document. We also agree to indemnify Sterling Health Services Administration and hold Sterling Health Services Administration harmless against any and all loss, damage or lawsuits brought against Sterling Health Services Administration to recover benefits under the plan, unless such actions arise out of the willful act or negligence of Sterling Health Services Administration.

Dated this _____ day of _____ 20_____

Employer: _____

By: _____ Title: _____

FOR HOME OFFICE USE ONLY

Plan ID #: _____

Notes: