

Scenario 2 - Spring Blooms Flower Shop

200 FT and 75 seasonal employees, need to save money on health insurance costs while retaining employees

Questions

- What health coverage do you currently offer your employees?
 - Group medical, dental, vision
 - HRA - first dollar payout, 50/50 split of expenses
 - Also offer medical FSA and dependent care
- Is there any coverage offered to seasonal employees?
 - No, and we do have trouble recruiting seasonal help
- Do you have any programs in place to help with employee retention?
 - Flower allowance
- What behaviors do you want to influence in your employees? What do they value?
 - As a company, we value work life balance

Proposed Solution

- HRA with EE deductible
 - Employee pay first \$2k, Employer pay next \$4k
- Keep FSA, Dependent Care
- Add ICHRA for seasonal employees
 - Any size business
 - Restrict to specific classes
 - Defined \$ amount contribution by the employer, no annual limit
 - Buy own insurance via marketplace and enroll in the plan, must meet certain criteria
 - Required initial attestation and attestation when filing claims can be done in the WEX platform
- Consider other pre-tax plans such as tuition reimbursement, student loan repayment, adoption assistance, fertility treatment, etc.
- LSA - open structure

Design questions to ask: For HRAs: eligible employees, contribution amounts, rollover, runout

For LSA: goals of LSA, what behaviors does the employer want to influence/support, budget;

use this information to determine eligible employees, eligible expenses, contribution amounts, timing, rollover