

# SECTION 125 PREMIUM-ONLY PLAN

An IRS requirement made hassle-free by HealthEquity

## What is a premium-only plan?

A premium-only plan (POP), or cafeteria plan, is a written plan maintained by an employer for its employees that meet the specific requirements and regulations of Section 125 of the Internal Revenue Code. A POP gives participants an opportunity to receive certain benefits on a pre-tax basis.

## Does my company need a premium-only plan?

A Section 125 plan, or POP, lets your company offer employees a choice between taxable and nontaxable benefits. Your company must have a POP in place if you offer any of these qualified benefits:

- Accident and health benefits
- Health savings accounts (HSAs)
- Flexible spending accounts (FSAs)
- Dependent care reimbursement account (DCRA)
- Group-term life insurance coverage
- Adoption assistance

A qualified benefit is one that doesn't defer compensation and is excludable from an employee's gross income under a specific provision of the code without being subject to constructive receipt.

## Let HealthEquity help you create your premium-only plan and ensure compliance

HealthEquity provides the services you need to create a POP and offer benefits under Section 125 of the Internal Revenue Code.

Protect the benefits you provide employees and ensure you're in compliance with the IRS by letting HealthEquity help you get a POP in place.



## Questions?

Contact HealthEquity  
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