READY, SET, CHOOSE

4 STEPS TO FINDING THE RIGHT MEDICAL COVERAGE FOR YOUR STAFF

STEP 2: MAXIMIZE TAX SAVINGS

Choosing the right tax-savings vehicle to pair with your employees' medical plan is a proven way to help alleviate tax liability. Here are six options for you to consider:

STRATEGY 1: Section 125 cafeteria plan

- Named after Section 125 of the IRS code, these options allow employers to provide tax-savings accounts for employees.
- Makes allowances for employees to pay for taxable benefits with pretax deductions, thereby lowering tax liability for both employees and employers.

STRATEGY 2: Health Savings Account (HSA)

- Accounts for employees and their employers to set aside money to pay for out-of-pocket expenses associated with a federally-qualified High Deductible Health Plan (QHDHP).
- Triple tax advantages: Employee contributions + disbursements + investment earnings are free of tax liability.

STRATEGY 3: Flexible Spending Account (FSA)

- Allows employees and their employers to set aside pretax money to use within the same year to pay for qualifying medical expenses.
- Balance does not roll over into the next year.

STRATEGY 4: Health Reimbursement Arrangement (HRA)

- Employer-funded accounts integrated with group health plans that reimburse employees for out-of-pocket medical expenses.
- HRAs allow employers to help employees pay out-of-pocket expenses.

STRATEGY 5: Individual Coverage Health Reimbursement Arrangement* (ICHRA)

- Allows employers of any size to reimburse employees for their personal health care expenses.
- Participating employees must be enrolled in an individual medical coverage plan.
- An employer can vary allowance amounts based on employee class size; however, participating employees are not eligible for premium tax credits.

STRATEGY 6: Qualified Small Employer Health Reimbursement Arrangement* (QSEHRA)

- Allows employers with fewer than 50 employees to provide health care subsidies to employees who purchase their own medical care plan.
- Employees can also receive a premium tax credit (subsidy), but it must be offset by the allowance of their HRA.
- Participating employees must enroll in an individual health plan that meets minimum essential coverage requirements as outlined in the Affordable Care Act.

*Because QSEHRAs and ICHRAs are meant to be used in conjunction with individual health plans, and all of GuideStone's plans are classified as group plans, these options may not be offered with a GuideStone® medical plan at this time.

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QUESTIONS TO ASK WHEN CHOOSING A TAX-SAVINGS STRATEGY FOR YOUR MINISTRY

Do I offer group medical coverage or will I encourage my employees to purchase individual medical coverage?

Your answer will help narrow down which strategies are available to you.

Do I want to offer comprehensive plans or consumer-driven QHDHPs?

Some strategies are better offered with one type of plan over the other.

Are any of my employees eligible for Medicare?

Team members on Medicare may not qualify to participate in some options.

What is the overall health of my group?

Employees with chronic health conditions may prefer one tax-savings option, while healthy employees may prefer another.

What is the age range of my employees?

Younger employees may prefer a tax-savings plan that leads to a lower monthly premium, while more mature employees may prefer a plan that offers reimbursement for expenses.

How will I handle plan administration?

Your choices are to add the work to existing team members or pay a third party to manage the details.

READY TO FIND THE RIGHT STRATEGY?

GUIDESTONE IS HERE TO HELP. LET'S CONNECT BY:

1. CALLING: 1-844-INS-GUIDE TO TALK TO A GUIDESTONE INSURANCE SPECIALIST
2. CLICKING: *INSURANCE.GUIDESTONE.ORG* TO GET A QUOTE
3. EMAILING: *INSURANCE@GUIDESTONE.ORG*