

Offering Your Employees Individual Health Insurance – Transcription

A lot of companies are wondering how they can offer their employees individual health insurance and save up to 40% on the cost. The way that you go about doing this is with a health reimbursement arrangement, which is a tax tool to define a benefit plan for your employees. This gives you the opportunity to fix your costs.

Let's say that you want to give \$100 to every employee, every month for health insurance reimbursement. You set up the agreement between the employees and the owner which defines how much you are going to reimburse them. Your employees will then give receipts for such things as premiums, co-pays, deductibles, and prescriptions, and they will then get reimbursed for them. Typically, businesses will have third parties administer the agreements and take care of the arrangements, but if you want you can do this inside your company as well.

As business owners, you are always projecting ahead and looking at what sales are going to be and how much you need to make to break even. The thing about health insurance is that most budgets are not determined until October, but when you offer your employees individual health insurance, you know that you are going to be paying the \$100 a month or whatever your agreement is for. This way if your employees decide that they want a new plan, they can go out and buy something completely different that fits their life situation and it makes no difference in your budget. Offering your employees individual health insurance is much better for both the owner and the employees.