



## Who is a CIP for?

Available for employers wanting to help employees lower and offset the cost of purchasing their own individual qualifying insurance coverage.

## How does it work?

- Employer sets a fixed dollar amount to support the employee's cost of individual insurance coverage.
- Employer establishes what is qualifying insurance coverage and covered through the Choice Incentive Plan.
- Employee is free to choose what eligible coverage fits their needs and must provide proof of payment to BASE®.
- BASE® adjudicates the expense and provides reporting to employer with the reimbursement amount.
- Employers choose when the allowance is paid, and the payment is made after-tax directly to the employee.
- Plan is exempt from nondiscrimination testing.

## What are the benefits?

### Benefit to Employer:

- **Controlled Funding Limits.** Employers determine their annual allowance amount for each and every employee, and are able to limit risk due to adjudication of premiums. No prefunding is necessary.
- **Cost Effective Benefit.** More cost effective than giving all employees a pay increase, since only employees who purchase their own qualifying insurance receive a monthly payment amount.
- **Simplified Incentive Management.** Employees submit proof of insurance payment to BASE®, which frees employers of this administrative hassle. BASE® then provides all of the tracking, adjudication and payroll information needed to carry out this incentive program.
- **Tax Benefit.** Employer can deduct all amounts paid to its employees under this program as "wages" on their business tax return.

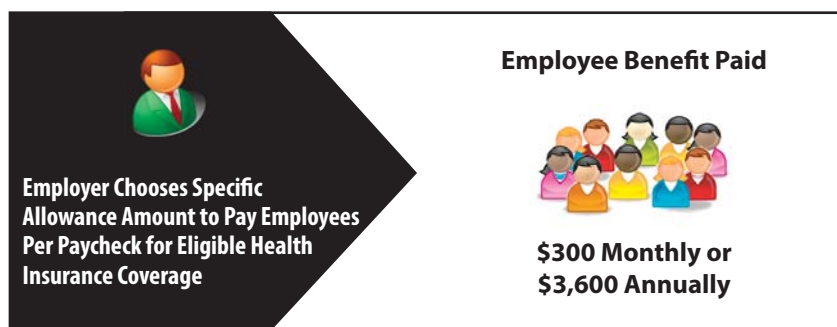
### Benefit to Employee:

- **Reduced Cost.** Employers are providing the dollars to assist them in reducing their monthly cost to purchase their own qualifying coverage.
- **Choice.** Employees are able to purchase an insurance policy that fits their needs and fits into their budget, including government Exchange/Marketplace premiums.

## Choice Incentive Plan

With the help of the BASE® Choice Incentive Plan, business owners can legally help employees with individual insurance costs, including health insurance premiums (on or off Exchange), supplemental insurance premiums (all types including disability), and/or life insurance (Term, Whole, Universal). The Choice Incentive Plan helps business owners support their employees' cost of health coverage by providing a monthly taxable allowance to employees to help lower and offset the employee's expense of purchasing their own qualifying insurance coverage. BASE® has established a product that will provide business owners with all of the administrative tools to legally provide this type of benefit without all of the paperwork and payroll hassle.

## CHOICE INCENTIVE PLAN IN ACTION



	Without CIP	With CIP	
	Increased Employee Wages to Pay for Premiums <i>Monthly/Annually</i>	Cost of Employee Purchased Insurance <i>Monthly/Annually</i>	Annual Employer Premium Allowance
Employee 1	\$300/\$3,600	\$200/\$2,400	\$2,400
Employee 2	\$300/\$3,600	\$500/\$6,000	\$3,600
Employee 3	\$300/\$3,600	\$100/\$1,200	\$1,200
Employee 4	\$300/\$3,600	\$700/8,400	\$3,600
Employee 5	\$300/\$3,600	\$250/3,000	\$3,000
Employee 6-10*	\$1,500/\$18,000	---	---
<b>Total Cost</b>	<b>\$3,000/\$36,000</b>	<b>\$1,750/\$21,000</b>	<b>\$13,800</b>
<b>EMPLOYER SAVINGS = \$22,200</b>			

In this scenario the employer saved \$22,200 (\$36,000 spent increasing wages for 10 employees - \$13,800 with the Choice Incentive Plan) in payroll costs by not just giving their employees all pay raises. This is because they only assisted the employees once they purchased their own coverage.

\* Health insurance policies obtained through a separate employer or spouse's employer are ineligible.

**Call 1-888-386-9680 today for your no-cost Choice Incentive Plan Benefit Analysis.**