



IN THE BUSINESS OF YOUR SUCCESS®

Premium Only Plans

Save while improving employee benefits

The Premium Only Plan, or POP, is an employee benefit that helps businesses and employees reduce their tax expenses. Reduced tax expenses can be realized by paying premiums for certain group insurance benefits on a pre-tax basis through the POP.

The benefits you offer to your employees are powerful tools in helping you to attract and retain the best talent.

EXCEPTIONAL VALUE

For your company: Save money by lowering your tax expenses. By reducing overall employee taxable income, your company's Social Security and Medicare and other payroll expenses are reduced. This savings can offset the cost of other business expenses and the rising cost of benefit premiums.

For your employees: Participation in POP reduces your employees' taxable salary and increases the percentage of their takehome pay.

OUTSTANDING EXPERIENCE

With ADP's Premium Only Plan service, a dedicated team of professionals will assist you in implementing your plan. For those with ADP payroll, we ensure complete integration with the existing payroll protocol. We will supply you with the materials they need for initial enrollment, as well as open enrollment, on an on-going basis. ADP will provide clients with a Premium Only Plan document and Plan Summary, and we will maintain these documents so that they comply with the law. ADP can provide back office support while you devote more time to your business.

EXPERIENCE MAKES THE DIFFERENCE

As a worldwide leader in data processing, we offer your business superior ease of administration. Our combination of experienced professionals and proven technology systems allow us to provide accurate administrative services that save clients both time and money.

CALCULATE THE TAX SAVINGS ADP PREMIUM ONLY PLANS CAN BRING YOUR COMPANY

	Example 1	Example 2	Your Info
Total Number of Employees	10	50	
Estimated Annual Premium per Employee*	x \$2,000	x \$2,000	
<small>*Benefit Premiums funded through POP include: medical, dental, LTD, term life, vision, and AD&D</small>			
Total Annual Premium	\$20,000	\$100,000	
FICA Rate	x7.65%	x7.65%	
Annual FICA Tax Savings	\$1,530	\$7,650	

Note: Employers adopting POP may also be able to save on federal unemployment taxes as well as state employment taxes in many states