



IMPORTANT UPDATE

Connecticut Mandates Cafeteria Plans for Employers

Are your clients covered?

Effective October 1, 2007, employers in the state of Connecticut that provide health insurance benefits to its employees, for which any portion of the premiums are paid for with money from the employee's pay, are required to offer those employees the opportunity to have that money be excluded from their gross pay for state and federal income tax purposes.

To be legally compliant with this Connecticut state mandate, employers must have in place a Cafeteria plan, including appropriate plan documents provided by a third party administrator.

The employer's Cafeteria plan must satisfy both:

1. Section 125 of the Internal Revenue Code
2. Regulations established by the Connecticut Senate and House
www.cga.ct.gov/2007/ACT/PA/2007PA-00185-R00SB-01484-PA.htm

Employers and their agents should verify the accuracy of their cafeteria plan document for things such as:

- ✓ A Section 125 Plan, must be, at minimum, a premium only plan offering access to one or more health coverage options in lieu of regular cash compensation
- ✓ Description of the benefits that may be elected
- ✓ Eligibility rules
- ✓ Method, timing and irrevocability of participant elections
- ✓ Manner of any employer contribution
- ✓ Plan Year

It is essential that the verbiage within the documents specify that the Plan is construed, enforced, and administered according to the laws of the State of Connecticut.

The EzPOP Section 125 Premium Only Plan documents meet the accuracy requirements necessary under the Connecticut state mandate.

AGENT CERTIFICATION

Through the EzPOP agent certification program, we are committed to providing you with the legal, marketing and technical support needed to serve your clients. Our certification program also provides assistance on earning additional commission dollars through Section 125.

To learn more, or to apply for certification, go to **EzPOP.com**.

As a leader in Third Party Health Administration, we are dedicated to empowering organizations and individuals to get the most from their benefits program.