



Premium Only Plans

Save while improving employee benefits



ADP's Premium Only Plan (POP) helps businesses and employees reduce their tax expenses by allowing employees to pay part of their health insurance premiums with pre-tax dollars. Typical eligible premiums include: Health, Dental, Vision, Disability and Life insurance.

Experience the Benefits

For your business:

- Lower payroll tax expenses
- Reduce Social Security and Medicare expenses
- Offset the cost of benefit premiums

For your employees:

- Reduce taxable salary
- Increase the percentage of take-home pay

The ADP® Premium Only Plan

Receive the following support and ongoing services:

- Plan documents & amendments
- Enrollment materials
- Deduction management
- Compliance testing documents
- Dedicated service representatives

Calculate the Possible Tax Savings

	Example 1	Example 2	Your Info
Total Number of Employees	10	50	
Estimated Annual Premium per Employee	x \$2,000	x \$2,000	
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. Check with your state and tax representative for more information.

*Testing available to certain ADP payroll clients. Restrictions do apply. Automatic Data Processing Insurance Agency, Inc. (ADPIA) is an affiliate of ADP, LLC.

ADP, LLC and its affiliates do not offer tax or legal advice and nothing contained in this communication is intended to be, nor should be construed as, advice or a recommendation for a particular option or strategy. Questions about how laws, regulations and guidance apply to a specific plan should be directed to your legal, tax or financial advisor. Participants can save on federal income taxes, state income taxes in most states, and Social Security/Medicare (FICA) taxes. Employers can save on the matching portion of FICA taxes and federal unemployment taxes and on state unemployment taxes in many states. State income tax rules vary by state. Check with your tax advisor or CPA to see how your state treats a POP.

Get More with ADP® Payroll

Integrate your POP with payroll and receive the following compliance tests free of charge*:

- Key Employee Concentration
- Nondiscriminatory Classification – Eligibility

Contact Me To Learn More.