**PREMIUM CONVERSION ONLY PLAN CHECKLIST (POP)**

INSTRUCTIONS: This POP under Section 125 cannot reimburse individual premiums. This document has been updated to comply with all provisions of the Affordable Care Act (ACA) effective as of September 23, 2010. This POP cannot be part of the Section 125 FSA and cannot be offered as a limited purpose FSA unless so designated by the employer, cannot have a $500 annual rollover provision unless so designated by the employer which requires the removal, in advance, of the 2.5 month grace period for the filing of prior year's claims, cannot reimburse individual medical premiums, and must be combined with and continue to meet all ERISA requirements under the Affordable Care Act as a qualified medical plan effective as of 1/1/2016. The Plan Administrator must sign this Checklist and must be provided with the Legal Plan Document which supersedes and is primary to the Summary Plan Description.

1. Name of Plan Sponsor:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Telephone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Tax ID #: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. What type of business entity is the employer?

( ) Corporation

( ) Tax Exempt Organization

( ) Partnership

( ) Limited Liability Company

( ) Sole Proprietor

( ) Limited Liability Partnership

3. First day of plan year: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Last day of plan year: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

If the plan is new, is there a short plan year?

( ) No

( ) Yes, beginning: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. Plan name:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5. Plan number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

6. Is the plan new or amended?

( ) New - Effective date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

( ) Amended

Original effective date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Amendment effective date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

7. What types of insurance (which require employee contributions) are offered by the employer?

( ) Medical ( ) Life

( ) Dental ( ) Disability

8. Is participation in the premium conversion plan automatic or must the participant submit a salary reduction agreement?

( ) Automatic election

( ) Salary reduction agreement

9. Does the employer offer a cash payment option to the employees who elect out of insurance coverage?

( ) Yes ( ) No

10. Are employees eligible for premium conversion when they become eligible for the underlying insurance, regardless of any other eligibility requirements?

( ) Yes ( ) No

*If no,* what are the age and service requirements for participation in the premium conversion portion of the plan?

( ) Age 21

( ) Age 21 and \_\_\_\_\_\_ years of service

( ) Age 21 and \_\_\_\_\_\_ months of service

( ) \_\_\_\_\_\_\_\_\_\_ months of service

( ) \_\_\_\_\_\_\_\_\_\_ years of service

( ) No eligibility requirements

11. What is the definition of compensation?

( ) Form W-2 compensation

( ) Section 3401 compensation

( ) Section 415 compensation

A. How are elective deferrals treated?

( ) Included as compensation

( ) Not included as compensation

( ) Included/excluded at discretion of

 administrator

B. What is the compensation measuring period?

( ) Plan Year

( ) Fiscal year ending on or within the

 plan year

( ) Calendar year ending on or within the

 plan year

C. Is compensation received prior to becoming a participant excluded?

( ) Yes ( ) No

D. Is any other type of compensation being excluded?

( ) No

( ) Yes, the following types are excluded:

 ( ) Bonuses

 ( ) Overtime

 ( ) Commissions

 ( ) Amounts in excess of $\_\_\_\_\_\_\_\_\_\_\_

 ( ) Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

12. What is the entry date?

( ) First day of the plan year following

( ) First day of the plan year preceding

( ) First day of the month following

( ) Same day

( ) Two entry dates: \_\_\_\_\_ \_\_\_\_\_

( ) Four entry dates: \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_ \_\_\_\_

13. Are any employees excluded from participation?

( ) Yes ( ) No

*If yes,* which employees are excluded from participation?

( ) Union employees

( ) Leased Employees

( ) Non-resident aliens

( ) Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

14. Are part-time employees excluded from the plan?

( ) Yes ( ) No

*If yes,* how many hours per week must an employee work in order to be eligible to participate in the plan? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

15. Is there any limit set by the employer on the total annual salary reduction permitted for medical reimbursement?

( ) Yes $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

( ) No

16. What is the state in which the contract is signed or effective? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

17. Is the employer acting as the plan administrator?

( ) Yes

( ) No, and the administrator is:

Name:

Address:

City, State, Zip:

Telephone:

18. Are there additional adopting employers?

( ) No

( ) Yes, and the adopting employers are:

Signed:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_

**Commonly Asked Questions for Completing the**

**Premium Only Plan (POP) Plan Checklist**

1. What is the **first day of plan year?** (#3)
2. It is usually January 1 or first day of the fiscal year, or it can be the day they write the plan their very first year.
3. What name should I use for the **plan name?** (#4)
4. This means the company's name and what they want to call this Benefit Plan. An example would be: ABC Company Premium Only Plan.
5. What should I use for the **plan number?** (#5)
6. A Plan number for an ERISA based plan for benefits usually starts with 501, then 502, etc. If this is your first benefit plan to be filed with the IRS, then use 501.
7. What does **automatic enrollment in the premium only plan mean?** (#8)

A. Automatic enrollment means all eligible employees will get coverage and each year there is no enrollment form to fill out.

Q. How do I choose **age and service requirements**/**effective date?** (#10)

1. The longer an employee is required to wait to participate, the less costly the plan will be for the Employer.
2. Should **compensation be received prior to becoming a participant be excluded**? (#11C)
3. This must be the same for all employees. Being able to include all compensation received could mean a larger contribution by the employer into the POP Plan.
4. How do I choose an **entry date**? (#12)
5. This is the employer's decision and must be the same for everyone
6. When can I **exclude employees from the plan**? (#13)
7. If you exclude a group or employees they must be non-highly compensated and it must be done consistently.
8. How do you set a **limit on total annual salary reduction**? (#15)

A. The annual amount cannot exceed the annual W2 income of the employee, and it must be uniform and consistent for all employees.

Q. Would the employer want to **as plan administrator?** (#17)

1. The employer has more control and also flexibility by being its own Plan Administrator. There is no legal requirement to use a professional one.
2. What are **additional adopting employers?** (#18)
3. Check to see if there are other divisions, locations or firms controlled by the Employer who are also adopting the same plan. There is no need for separate legal documents and forms for each adopting employer.