



# WIMPER Program Overview

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Introduction to 1st Capital Financial's All-New Wellness and Integrated Medical Plan Expense Reimbursement (WIMPER) Program



## WIMPER PROGRAM OVERVIEW

# What's a WIMPER Program?

A [Wellness and Integrated Medical Plan Expense Reimbursement \(WIMPER\)](#) program is an innovative tax strategy that yields an immediate reduction of payroll expenses for employers and access to health and wellness benefits at zero net cost for employees.

Did you know the U.S. government could save \$5.60 on healthcare for every dollar invested in preventative care programs?

[Source](#)

TELEMEDICINE

WELLNESS COACHING

MENTAL HEALTH SERVICES

ANCILLARY BENEFITS

AND MORE





## WIMPER PROGRAM STRUCTURE

# Four-Part WIMPER Program Structure

WIMPER Programs are comprised of a Section 106 Wellness Plan, a Section 125 Cafeteria Plan, a Section 105 Self-Insured Medical Reimbursement Plan (SIMRP), and a qualified health plan.



See additional information on the next slide.



## WIMPER PROGRAM STRUCTURE (CONTINUED)

- The value of the Section 106 Wellness Plan is a pre-tax eligible deduction. This deduction from employees’ gross wages is addressed in Internal Revenue Code (IRC) § 106(a) and further explained in Chief Counsel Advice (CCA) Memorandum 201703013.

The value of coverage by an employer-provided wellness program that provides medical care (as defined under § 213(d)) generally is excluded from an employee’s gross income under § 106(a), and any reimbursements or payments for medical care (as defined under § 213(d)) provided by the program is excluded from the employee’s gross income under § 105(b).

[CCA Memorandum 201703013](#)

- The Section 106 Wellness Plan and Section 105 SIMRP are designed for compliance. The Section 106 Wellness Plan, powered by Amaze Health, and Section 105 SIMRP are designed to comply with all IRS guidance, ACA, ADA, ERISA, HIPAA regulations, and related legislation.
- The integration of a qualified health plan is a key component. A Section 105 SIMRP is paired with an Affordable Care Act (ACA)-approved qualified health plan to establish what’s called an “integrated 105 plan.”
- Post-tax reimbursements are tax-excludable. Reimbursements and payments for medical care expenses, as defined in IRC § 213(d), are excluded from employees’ gross wages under IRC § 105(b). This treatment is further explained in IRC § 104(a)(3) and CFR § 1.105.11.\*
- Deductions and reimbursements are allowed. The pre-tax deduction and reimbursement amounts are based, in part, on the Department of Health and Human Services's (HHS's) report from July 2016, the national average total monthly cost of benefits, and fair market value of IRC § 213(d)-compliant preventative services provided through a Section 106 Wellness Plan. All IRS guidelines and related legislation are also considered in the utilization of benefits and combined with a Section 125 Cafeteria Plan.

### Related Legislation

Wellness Plan  
[IRC §§ 104\(a\)\(3\), 105\(b\), 106\(a\), 125, and 213\(d\)](#), [HIPAA](#), and [CFR § 1.105.11](#)

Medical Care Expenses  
IRC § 213(d) and [ACA](#)

Pre-Tax Treatment  
IRC §§ 106(a), 125, and 213(d)

Post-Tax Treatment  
IRC §§ 104(a)(3), 105(b), and 213(d), and [CFR §§ 1.105.11\(i\), 1.105.11\(k\)\(1\), and 1.105.11\(k\)\(2\)](#)

\* Note that the reimbursement guidelines are elucidated in 1st Capital Financial’s Section 105 SIMRP plan documentation.

# WIMPER Program Eligibility



# WIMPER Program Paycheck Calculations

Work State	VA	Pay Frequency	Biweekly
Annual Pay (Calculated at 95%)	\$39,520.00	Biweekly Pay (Calculated at 95%)	\$3,293.33
Federal Withholding	M   0	State Withholding	M   0
Total for Lines 3 and 4(b) on IRS Form W-4	0	IRS Form W-4 Version	2020

Example of Calculations With and Without a Wellness Plan		
	Without Wellness Plan	With Wellness Plan
Gross Pay	\$3,293.33	\$3,293.33
<u>Pre-Tax Deductions</u>		
Wellness Plan	(\$0.00)	(\$1,220.00)
Taxable Pay	\$3,293.33	\$2,073.33
<u>Statutory Deductions</u>		
Federal Withholding	(\$395.20)	(\$248.80)
State Withholding	(\$189.36)	(\$120.36)
Social Security	(\$204.18)	(\$128.54)
Medicare	(\$47.75)	(\$30.06)
<u>Adjustments</u>		
Wellness Plan	\$0.00	\$1,220.00
Total Taxes	(\$836.49)	(\$527.76)
PCM After Taxes	\$0.00	(\$308.73)
Net Pay	\$2,456.84	\$2,456.84

Value Deducted from Taxable Pay

Employer's FICA Savings = \$93.33

Benefit Reserve = \$308.73/Month

Zero Net Cost to Employee

# WIMPER Program Ancillary Benefits

Benefit Reserve = \$308.73/Month	
Benefit Reserve	\$308.73
Wellness Plan	(\$89.00)
Remaining	\$219.73
Employees apply their remaining balance toward ancillary benefits they select.*	
Best of all, these benefits will not affect employees' existing coverage.	

\* Note that the ancillary benefit options listed are for illustrative purposes only.

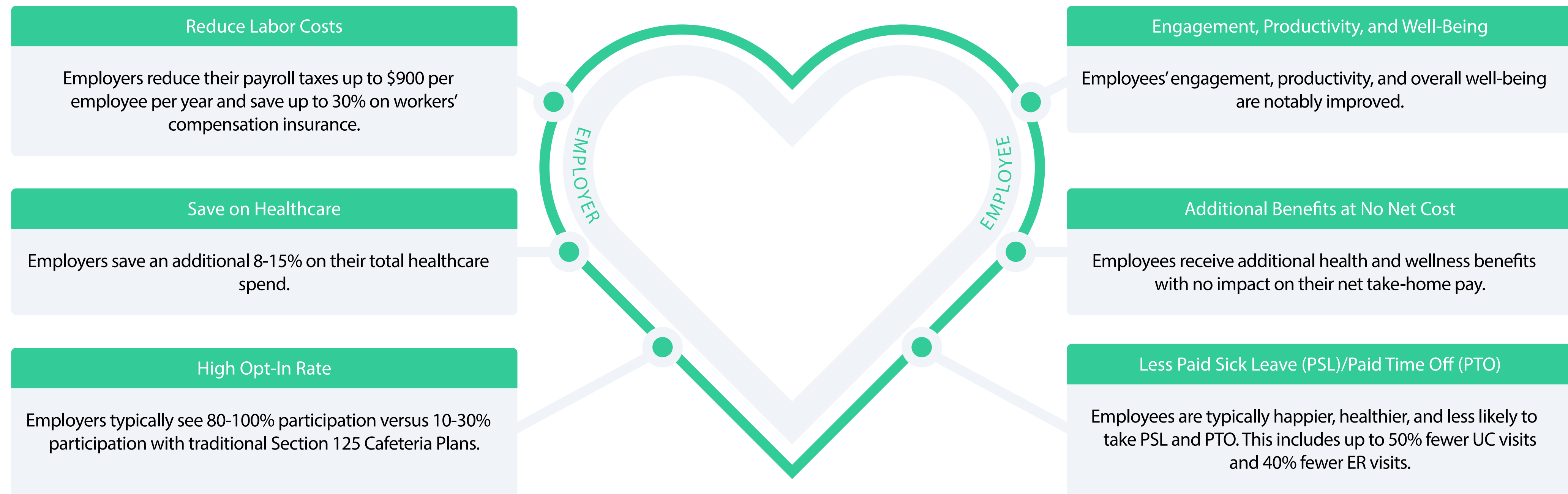
Most Popular	<div>Short-Term Disability</div> <div>State disability pays about 50% of policyholders' gross incomes. A short-term disability policy will cover the difference to get policyholders close to 72% (the maximum allowed), equal to about \$600 per month in additional disability coverage. This policy can be used for off-the-job injuries and illnesses.</div>	<div>\$26.87</div> <div>(Cost/Month)</div>
	<div>Critical Illness With Cancer</div> <div>A critical illness with cancer policy offers a guaranteed-issue lump sum of \$10,000 with no underwriting questions. This policy pays out the entire amount immediately upon policyholders' diagnoses.</div>	<div>\$13.78</div> <div>(Cost/Month)</div>
	<div>Hospital Insurance</div> <div>A hospital insurance policy provides \$2,000 for admission over 24 hours and \$200 per day for confinement.</div>	<div>\$30.50</div> <div>(Cost/Month)</div>
	<div>Accident Insurance</div> <div>An accident insurance policy will cover any accident on or off the job. It offers a schedule of coverage based on the treatments policyholders receive due to an accident, such as \$2,000 for their first 24 hours in a hospital and \$500 per day for up to 365 days. Both amounts double if policyholders are confined in the Intensive Care Unit (ICU). Additional coverage may apply for ambulances, Emergency Rooms (ERs), surgeries, and more.</div>	<div>\$18.11</div> <div>(Cost/Month)</div>
	<div>Life Insurance</div> <div>A life insurance policy is guaranteed-issue, so there are no underwriting questions. It is also a whole life policy to age 95 with a face value of \$143,902. This policy also accrues cash value, so policyholders may borrow against or withdraw these funds.</div>	<div>\$112.68</div> <div>(Cost/Month)</div>

# ACA-Approved MEC Plan

Minimum Essential Coverage (MEC) Plan	
Medical Benefits	
Wellness and Preventative	Covered at 100%
Primary Care Visits	\$15 Copay   Unlimited
Specialist Visits	\$15 Copay   Unlimited
Urgent Care Visits	\$50 Copay   Unlimited
Laboratory Services	\$50 Copay   Unlimited
X-Rays	\$50 Copay   Unlimited
MEC Companion Discount Card	
Dental	Included
Vision	Included
Durable Medical Equipment	Included
Diabetic Supplies	Included
Fitness	Included
X-Rays	Included



# WIMPER Program Outcomes



# Amaze Health's Wellness Platform



## Prevention

- ✓ Health Education
- ✓ Health Risk Assessment(s)
- ✓ Virtual Primary Care (Screening, Chronic Condition Management, Etc.)



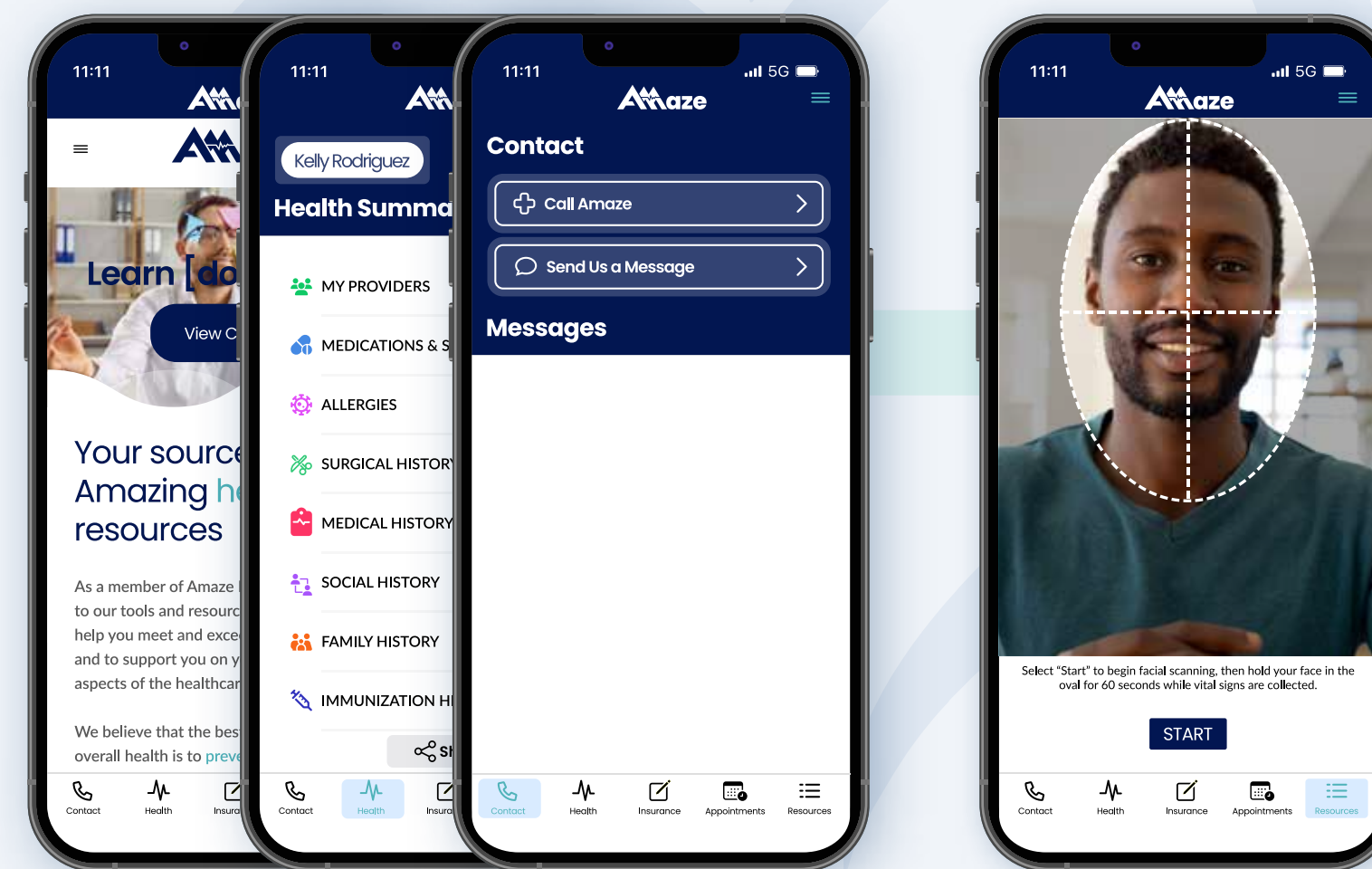
## When Illness and Injury Strike

- ✓ Acute Care
- ✓ Chronic Care
- ✓ Mental Health Services
- ✓ Specialty Consultations (Dermatology, Orthopedics, Etc.)



## When Local, Hands-On Care Is Needed

- ✓ Patient Navigation
- ✓ Visit Preparation
- ✓ Cost Management
- ✓ Follow-Up and Support



Amaze Health  
Mobile App



Amaze has become the go-to resource for all our team's health and medical needs. As an HR manager, I could never have imagined that a virtual health and medical service could be a powerful employee retention tool, but that's what we hear from our employees all the time.

Kristin Courtney  
HR Director at W.E.  
O'Neil Construction of  
Colorado

# WIMPER Program Proposal Example

Employee		Monthly	Employer		Annual	Employer		Annual	Total Payroll Pct. Reduction = 23.79%	
Average Post-Tax Allotment		\$207.50	Average Tax Savings		\$637.67	Average Payroll Reduction		\$14,640.00		
Total Post-Tax Allotment		\$18,882.80	Total Tax Savings		\$74,499.00	Total Payroll Reduction		\$1,332,240.00		
Employee						Employer				
ID	Last Name	First Name	Monthly Gross Tax Savings	Monthly Fee	Monthly Net Post-Tax Allotment	Annual Gross Tax Savings	Monthly Fee	Annual Net FICA Savings	Annual Payroll Reduction	Annual Payroll Pct. Reduction
1	A1	B1	482.15	89.00	393.15	1,119.96	40.00	639.96	14,640.00	3.08%
2	A2	B2	277.19	89.00	188.19	1,119.96	40.00	639.96	14,640.00	25.68%
3	A3	B3	399.19	89.00	310.19	1,119.96	40.00	639.96	14,640.00	9.34%
4	A4	B4	323.55	89.00	234.55	1,119.96	40.00	639.96	14,640.00	7.01%
5	A5	B5	449.56	89.00	330.56	1,119.96	40.00	639.96	14,640.00	12.50%
6	A6	B6	481.17	89.00	392.17	1,119.96	40.00	639.96	14,640.00	6.56%
7	A7	B7	349.33	89.00	260.33	971.16	40.00	491.16	14,640.00	8.56%
8	A8	B8	419.68	89.00	330.68	1,119.96	40.00	639.96	14,640.00	14.23%
9	A9	B9	310.49	89.00	221.49	1,119.96	40.00	639.96	14,640.00	5.60%
10	A10	B10	219.46	89.00	130.46	1,119.96	40.00	639.96	14,640.00	77.05%
11	A11	B11	317.81	89.00	393.15	1,119.96	40.00	639.96	14,640.00	12.33%
12	A12	B12	423.58	89.00	334.58	1,119.96	40.00	639.96	14,640.00	10.57%
Group Administrator: 1st Capital Financial, Inc.						Company: ABC Company, Inc.				

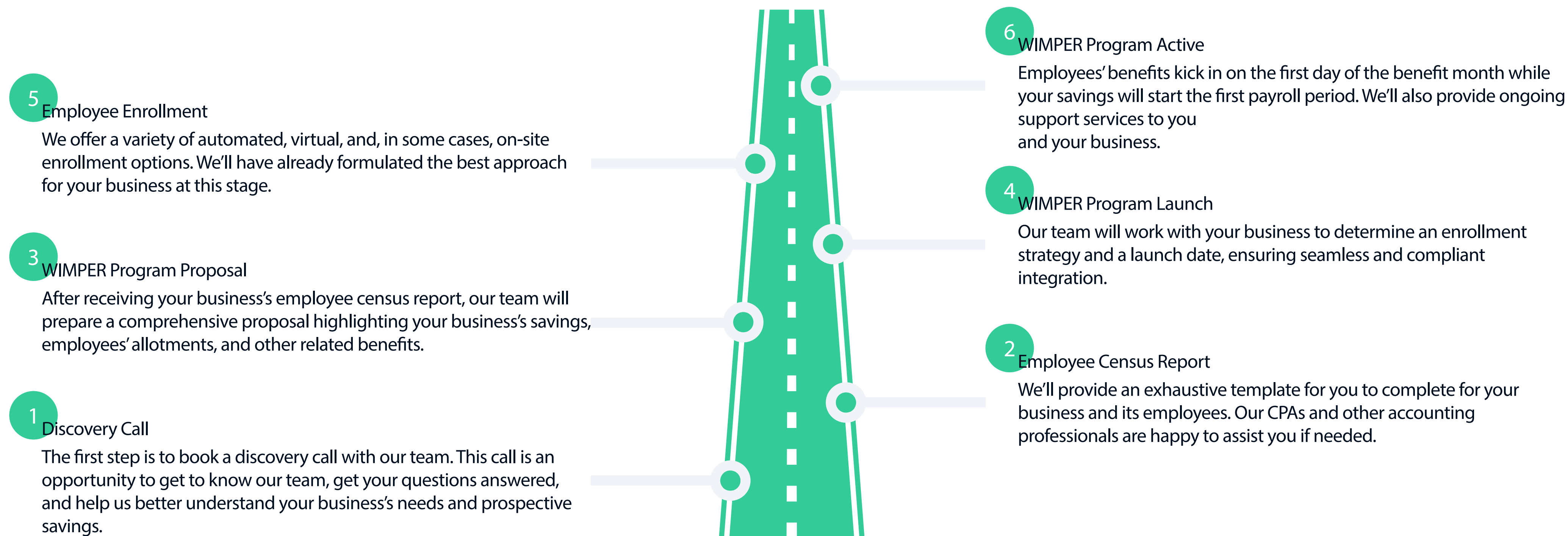


# WIMPER Program Census Report Example

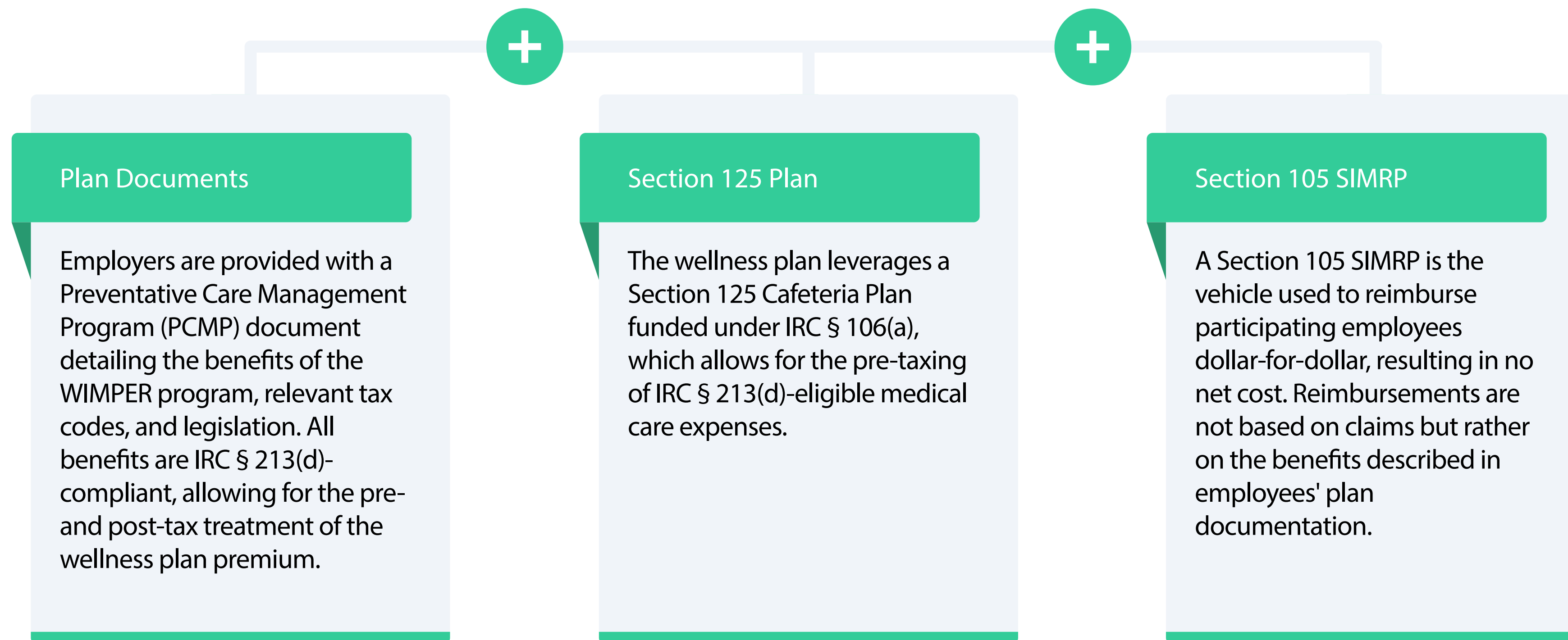
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# WIMPER Program Roadmap



# WIMPER Program Compliance



# Questions? We've Got Answers.





CHARLOTTE  
PAYROLL HCM