

# IRS AUDITS

**VBA WAS CREATED TO  
HELP EMPLOYERS & EMPLOYEES  
SAVE TAX DOLLARS.**

There are a large number of "POP" Cafeteria Plans in the marketplace, and employers & employees are saving taxes. However, we have found that a large number of the plans set up by insurance agents for "free" are not in compliance with IRS Regulations. The following questions should give you an indication if your plan is in compliance:

- Do you have a written plan document in your files?
- Has it been properly amended to reflect all changes? (Changes are required almost every year.)
- Have your employees with flexible accounts received a copy of the current summary plan description?
- Do you have current signed election forms on file for all eligible employees?
- Has discrimination testing been done periodically and is a copy on file?
- Are election changes made in accordance with IRS Regulations?
- As your new employees become eligible for participation, do you have them fill out the election forms?
- Are HSA contributions made through your Cafeteria Plan to save Payroll Taxes?

In the event of an audit penalties can be substantial and include fines and payments of back payroll and employee taxes.

**Is your free service doing the job?**

## EXAMPLE OF ONLINE ACCESS:

Go to: [www.vbaonline.com/](http://www.vbaonline.com/)

### Employee:

Login ID      employee

Password      employee

### Human Resources:

Login ID      G51608997

Password      example

Use example to access sample account.



**WHY NOT EXPAND YOUR BENEFITS  
WITH A VBA TAX SAVING PLAN.**

Fill in the information below and VBA will prepare a proposal for you based on your business estimating employee and employer tax savings.

NAME OF BUSINESS \_\_\_\_\_

ADDRESS \_\_\_\_\_

PHONE NO. \_\_\_\_\_

FAX NO. \_\_\_\_\_

E-MAIL \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_

NO. OF EMPLOYEES \_\_\_\_\_

PLEASE ESTIMATE THE FOLLOWING MONTHLY AVERAGES  
EITHER PER PERSON OR AVERAGE TOTAL:

EMPLOYEE HEALTH  
INSURANCE CONTRIBUTIONS      \$ \_\_\_\_\_

EMPLOYEE VOLUNTARY  
INSURANCE DEDUCTIONS  
(excluding permanent Life Insurance  
& Group in excess of \$50,000)      \$ \_\_\_\_\_

PRIVATELY OWNED HEALTH  
INSURANCE (not payroll deducted)      \$ \_\_\_\_\_

UNREIMBURSED MEDICAL  
EXPENSE      \$ \_\_\_\_\_

HEALTH SAVINGS ACCOUNTS      \$ \_\_\_\_\_

NUMBER OF EMPLOYEES  
WITH DAY CARE EXPENSES      \_\_\_\_\_

AVERAGE DAY CARE COST      \$ \_\_\_\_\_

# BENEFITS OF A VBA FLEX PLAN

As simple as a payroll deduction

## WHY NOT GET ALL THE BREAKS?

Premium Only Plans provide tax savings for employee paid insurance premiums including health insurance plan premiums and other employer-sponsored insurance coverages, including dental, disability, accident, cancer and group term life insurance premiums.

In addition the VBA Plans provide for:

1. Medical expenses not covered by insurance. Typical expenses include eye exams & eye glasses, orthodontic care, medical examinations, mental healthcare, chiropractic services, prescription drugs and other expenses that are not reimbursed by health insurance, and co-pays. Over the counter medications are now eligible.
2. Adult and child daycare expenses. The cost to care for a dependent while the employee and spouse (if married) work.
3. Employee owned health insurance policies not paid by payroll deduction.
4. HRA's for lower insurance premiums.
5. HSA's service provider for tax savings and claim adjudication.
6. Self funded Dental & Vision.

Voluntary Benefits Administrators, Inc. (VBA) uses the latest technology to provide their clients smooth trouble-free administration including:

1. Daily claim reimbursements. Claim checks or direct deposits to employees' checking accounts (optional debit & credit cards).
2. 24/7 customized account information via internet.
3. Personal service from "real people" available during regular business hours.
4. Our service agreements are customized to provide the services you want and eliminate the negatives that prevented business from offering flex plans previously.



***VBA does all the work.  
You and your employees  
reap the tax savings.***

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## PLAN SERVICE PROVIDERS for:

**CAFETERIA PLAN (SECTION 125)  
HEALTH REIMBURSEMENT  
ARRANGEMENTS (SECTION 105)  
HEALTH SAVINGS ACCOUNTS  
(SECTION 223)  
& VOLUNTARY  
INSURANCE SPECIALISTS**



## ADVANCED CONCEPTS FOR EMPLOYEE BENEFIT SOLUTIONS

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