

360 Advantage Plan - FAQs

What is it?

We are a tax qualified **Wellness Solution on a Digital Therapeutic Clinical Grade Platform.**

The **360 Advantage Plan** Program is equally a tax strategy as well as a benefit to the employees.



Includes 3 Solutions

1. AI-Powered **Preventative Health Care** Management
2. AI-Powered **Mental Health** Management
3. AI-Powered **Chronic Disease** Management

**Trusted by the
most respected
names in health
and wellness**



How does it work?

The federal government incentivizes businesses like yours through payroll tax savings to bring their employees this health benefit. This is done through the Cafeteria 125 Program, specifically sections 105.11 and 213.d.

While that program has been around for 45 years, **congress made changes three years ago to incent employers** and employees that reduce payroll taxes for employees where both the employer and employee save money by reducing their payroll tax liability - on average, the employer saves \$623/employee/year and the employee saves \$158/month, nearly \$1,900/year (based on \$39,000 payroll average).



PROGRAM COMPLIANCE

Important Compliance Background:

Between 2014 and 2016, the IRS provided guidance through a series of Chief Counsel Advice Memoranda (CCAs), that set the tone for what the IRS deemed to be compliant applications of the Internal Revenue Code related to wellness plans.

The 360 Advantage™ model was born in 2017, and built on the foundation of those CCAs, ensuring compliance with both Internal Revenue Code and The Affordable Care Act.

The architecture outlined below (1-7) ensures program compliance:

1. Our program does NOT provide cash payments
2. All of our programs ARE 213(d) compliant, and documented by Preventative Care Management Document
3. We do NOT reimburse under Sec. 125, but rather SIMRP per Section 1.105-11
4. No indemnity products or services embedded in our program
5. Our on-staff ERISA Attorneys draw up the (3) critical plan documents needed to ensure compliance:
 1. Section 125 Cafeteria Plan Document
 2. Self-Insured Medical Reimbursement Plan Document
 3. Preventative Care Management Plan Document
6. All pre-tax dollars contributed by employees are utilized for ONLY 213(d) eligible medical expenses, otherwise the funds are taxed (under the IRC)
7. Our compliance team tracks, monitors and reports on all plan participant engagement, to ensure the necessary annual participation obligations under the plan are met

Is it legit? It sounds too good to be true.

Yes, 360 Advantage Plan is structured under IRS Section 125 and Section 105.11 and 213.d making it **Fully Compliant** with ACA, ERISA, and IRS Guidelines.

Proven Compliance with IRS & ACA

IRS Code

Section 125 of the Internal Revenue Code (IRC)

Section 1.105-11 of the Internal Revenue Code (IRC)

Program Architecture

- **Section 125 Cafeteria Plan¹** – Utilized for employees to make pre-tax contribution to the 360 Advantage Plan
- **Self Insured Medical Reimbursement Plan²** – Allows employer to make post-tax reimbursements of premiums to participating employees
- **Preventative Care Management Plan Document** – Documents that the program components embedded in the 360 Advantage program are 213(d) eligible, substantiating the pre-tax contribution to the program via Section 125 Plan.

¹Section 125 (or cafeteria) plan, has been in existence as part of the Internal Revenue Code since November 1978.

²Section 1.105-11 – Employer Reimburses premium to employee's net pay utilizing SIMRP in accordance with Section 1.105-11, and U.S Code 300gg- 4(1)(3)(c)

Employee Advantages

**** BASED ON ELIGIBLE PARTICIPANT W-2 WAGE AVERAGE**

AVERAGE COMPANY SALARY \$39,000

Saving Money Is Fun!

 **eOnlineBenefits.com**
ILLUSTRATION ONLY



Personalized Digital Care
Support at their Fingertips 24/7



Tailored Age & Gender-
Specific Preventive Care



Average of \$158 in Savings in
Their Take Home Paycheck

\$1,896 Employee Pay Raise On Average
(Based on average employee payroll of \$39,000)



Improved Health Outcomes

Company Advantages

** BASED ON ELIGIBLE PARTICIPANT W-2 WAGE AVERAGE

AVERAGE COMPANY SALARY \$39,000

Saving Money Is Fun!

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Payroll Tax Savings
\$623 per Year per Employee

Immediate tangible results with no disruptions or capital expense



Reduced Employee Turnover



Happier & More Loyal Employees



Improved Worker Productivity



Healthier Employees, and Lower
Healthcare Expenses

Payroll Tax Savings Small-Mid Market

FICA TAX SAVINGS BASED ON ENROLLMENT	
25 EMPLOYEES	\$15,575.00
50 EMPLOYEES	\$31,150.00
75 EMPLOYEES	\$46,725.00
100 EMPLOYEES	\$62,300.00
200 EMPLOYEES	\$124,600.00
300 EMPLOYEES	\$186,900.00
400 EMPLOYEES	\$249,200.00
500 EMPLOYEES	\$311,500.00

Payroll Tax Savings Large Market

FICA TAX SAVINGS BASED ON ENROLLMENT	
1,000 EMPLOYEES	\$623,000.00
5,000 EMPLOYEES	\$3,115,000.00
10,000 EMPLOYEES	\$6,230,000.00
20,000 EMPLOYEES	\$12,460,000.00
50,000 EMPLOYEES	\$31,150,000.00
75,000 EMPLOYEES	\$46,725,000.00
100,000 EMPLOYEES	\$62,300,000.00
200,000 EMPLOYEES	\$124,600,000.00

Company tax savings come out to
\$623 per employee after 360 fees

Is going to be a big strain on HR?

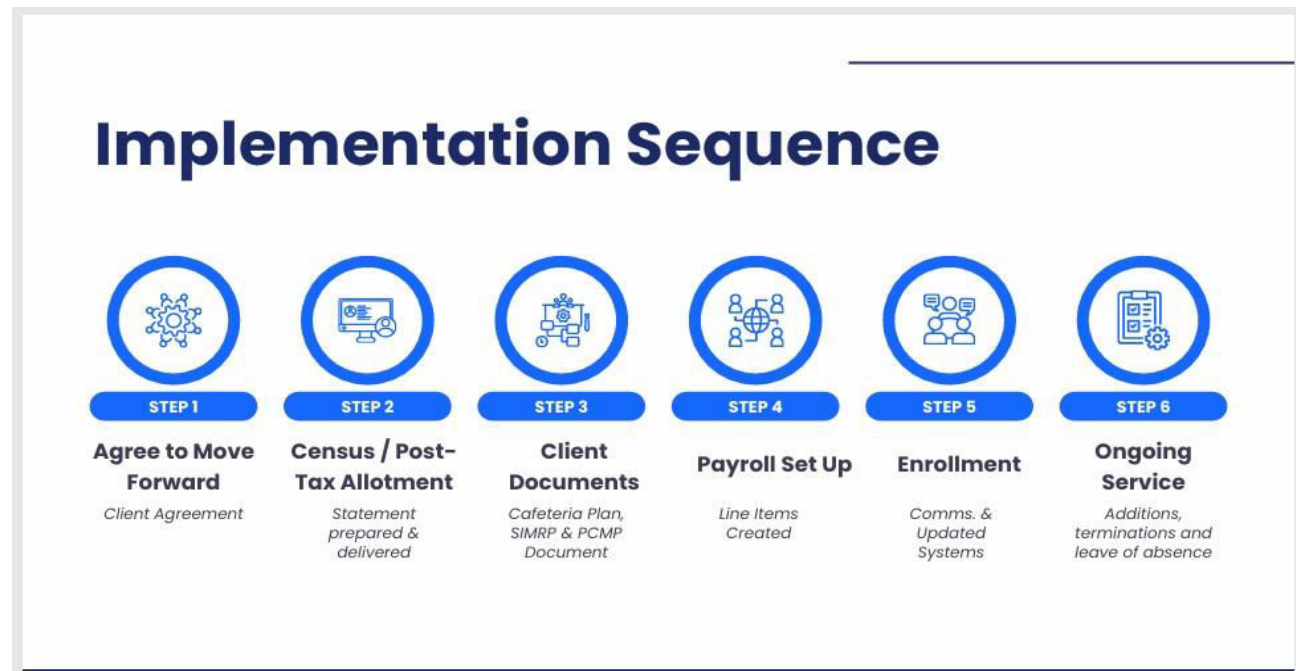
The **360 Advantage Plan Support Team** makes sure that the program runs smoothly from the day you enroll and answers all your employees' questions starting at enrollment and continuing throughout their participation in the program.

Our **360 Advantage Plan** Enrollment Experts and Payroll Support Specialists work side by side with your HR and Payroll Team.

Services items are *CARED for* by our **360 Advantage Plan** Client Services Representatives.

Is it hard for our Payroll Company and HR Staff to implement?

No, 360 Advantage works with over 100 payroll companies including ADP, and Paychex.



Is this scalable?

Yes, there are companies with 200,000 employees that are participating. Employees are enrolled in a systematic enrollment process with an opt out enrollment, where **360 Advantage Plan** handles every step of the way - and answers all employee questions.

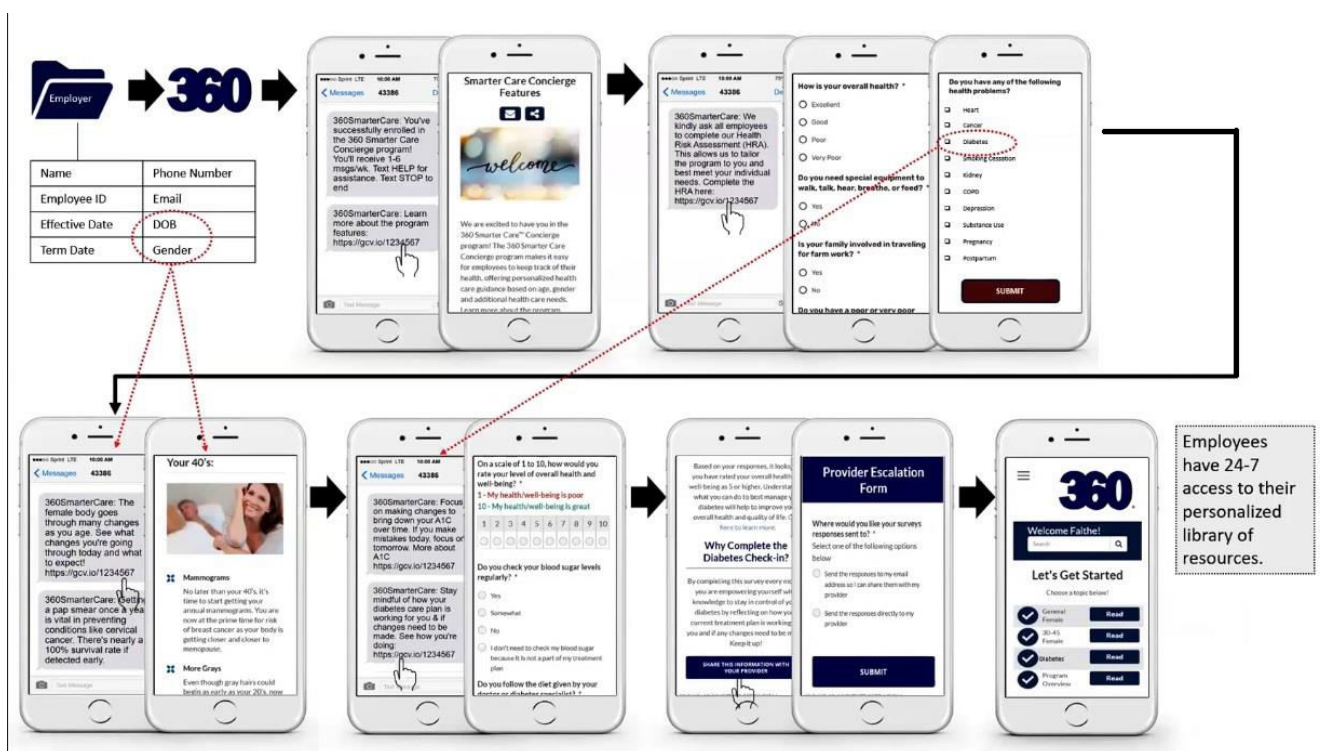
Our **ERISA Attorney** makes certain that your client documentation is “up to date,” and our **360 Advantage Plan Staff** ensures every client that they have a PARTNER they *can trust* throughout the life of the program.

That’s why hundreds of employers from Small Employers to FORTUNE 500 Companies have carefully selected **360 Advantage Plan** as their “trusted partner.” In fact, there are over 1 million employees currently enrolled in the program.

What is the health solution?

It's a Wellness Solution that communicates with people in a personalized manner that changes behavior. We built a tax qualified wellness platform, a self-funded wellness program that uses Sections 125, 105.11 and 213d.

This HIPPA protected platform delivers proprietary clinical science that drives behavior change through highly directed personalized in the moment support and messaging that drives behavior change.



Employees enroll and enter their health information regarding health goals and/or concerns. **360 Advantage Plan** is ai driven and texts or emails the employee twice a week with suggestions on how to achieve their health goals/address their health concerns.

360 Advantage Plan also follows up with the employees to find out how they are doing and make changes along the way. All information is HIPPA protected.

What is the service you provide?

We provide behavior modification that aids in employees reaching their health goals, financial impact as a result of both the employer and employee saving money as a result of reducing payroll tax liabilities, and increased worker productivity.



Nurturing Technology

Behavioral and Cognitive Effect

- ✓ Concierge Care nurtures and acts behaviorally and cognitively as a concerned and knowledge friend.
- ✓ Shown to:
 - Increase sense of belonging and purpose
 - Boost happiness and reduce stress
 - Improve self-confidence and self-worth
 - Help cope with traumas
 - Encourage positive change or avoid unhealthy lifestyle habits



We do two things; we improve the health and well-being of your employees while driving savings to the bottom line of your business.

The best part is, we don't disrupt your existing programs and there's no capital expense.

The **360 Advantage Plan** provides **enrolled** employees with a personalized tool that can curate a select group of resources based on their age, gender and condition and delivers it digitally.

Oh, and by the way, when you do, each employee is going to save about \$158 per month. They are going to get paid a little bit more. Oh, by the way, your finance team is going to save \$623 per person per year.

How long has 360 Advantage Plan been in business?

9 years. The **360 Advantage Plan** program was implemented 3 years ago when congress made changes to the Cafeteria Section 125 program.

What is the cost of the 360 Advantage Program?

There is no "out of pocket" cost for the employer or the employee.

How does 360 Advantage Plan make money? There must be a cost to this program.

Yes, there is a cost. The cost of the program is \$99 per employee/per month (PEPM) enrolled, but the average employee enrolled in the **360 Advantage Program** receives \$257/month in payroll tax savings and puts \$158 in their pocket each month, or they can purchase a \$100,000 whole life insurance policy from MassMutual. It's 100% guaranteed acceptance for everyone - it doesn't matter if they have any medical conditions.

What is the cost of the optional life insurance policy?

MassMutual put together a very aggressive **whole life** insurance program with 100% acceptance and the cost depends on the person's age, so the cost is based on a person's age. It does not take any medical conditions into consideration.

Why choose this plan?

We offer a program that provides an incredible health benefit while saving both the employer and employee significant money. We keep it easy for HR and the employees and are able to mass scale quickly and communicate with employees without losing the personalization.

This is a really simple program. It was designed to be simple. It's simple for the employee to be compliant. It's not a big ask. Employees don't have to go to the doctor, no blood draws, no biometric screening. The reimbursement happens automatically each pay cycle. From the company's standpoint, we're just a bolt on to their existing medical plans. Plug us in off cycle from your main open enrollment and it's easy.

The biggest differentiator is that it's easy for the company and the employees to save money and engage with the AI Solution to improve their health outcomes.

Are there any companies that this model wouldn't work well with?

Companies where employees are variably compensated struggle with this. Where people are low paid or work a week, don't work a week - employees that are variable benefits become problematic for them. As long as the employer matches FICA taxes, except some municipalities where police and firefighters participate in retirement plans and not social security.

What are some of the objections?

- The biggest one is that it's too good to be true until they understand what it is.
- HR thinks it's going to be a lot of work, but there is no strain on HR, just one to two hours to get started.
- The health care broker that doesn't want it in, but we do not compete with the broker. We are another layer on top of what they are already doing.

How long does it take to get started?

Once we have your employee census, its 7-10 days.

Does this affect FICA and Medicare?

Yes, the reduced payroll tax liability savings comes from reduced federal and state taxes along with decreased FICA and Medicare payment.

What is SIMRP?

The SIMRP Program (Self Insured Medial Reimbursement Plan) is a participatory preventive care management program designed to help employees improve their physical and mental health. This innovative cost savings strategy is made possible by a set of tax codes that are part of the Affordable Care Act (ACA). The SIMRP Program can save employers a substantial amount of costs by reducing payroll taxes and lowering worker's compensation insurance premiums. There are also many indirect cost savings that can greatly benefit your organization.

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What is PEPM?

PEPM stands for "per employee per month." It has multiple definitions. In the health care industry, PEPM is the rate a company pays for each participant on a monthly basis.

(Find video at eOnlineBenefits.com)



The Advantage Elevator Pitch

Immediate tangible results with no disruptions or capital expense

Elevator Pitch

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The biggest differentiator is that it's easy for the company and the employees to qualify and we do not upset your current benefit plans.

Comments

We don't sell anything. We are explaining how a process works - a process of a self-funded wellness plan that we provide a service that the biggest health care providers in the world provide to their users and tax savings pays for it. It's not a sale if there's no dollars out of your pocket, that's not a sale. It's a financial decision. We're just explaining a process.

Don't oversell this to people. Here's who we serve, are you interested, do you care about your people, do you care about your budget - yes or no. You do? Excellent, here's the next step.

Not an app, you don't download it. Employees are welcomed to the concierge and invited to complete the personalization form which satisfies participation requirements under the plan. Do it once a year and don't opt out and they're good for the year.

Everybody gets age and gender specific preventative care support and then condition specific support. Everything is HIPPA compliant. Multiple condition support available - Diabetes, high blood pressure, maternity, behavioral health, substance use... Employees can access all these resources 24/7/365 from a phone, tablet or computer. 90some% chose text messages. It is the cleanest, easiest to communicate.

We ask people to save us as a contact on their phones right out of the gates.

We must balance being cutting edge without going too far.

Maintaining a simple solution that doesn't rub people is the key to this program. Ron Scardelli, "If I cannot piss off the employees and HR people and give them something that they love and can stand behind then we will succeed in growing client count.

If I can motivate the finance team because there's no capital expense and keep this tight and easy for employees while still maintaining and driving value, we're good, and employers will continue onward with the **360 Advantage Plan**.

Please call Adam Kelly to arrange a meeting with our onboarding team.

Adam Kelly
President/Founder
(612) 309-3000 Cell
(952) 405-9000 Office Direct



Please visit our website to learn more about the **360 Advantage Plan**