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## PREMIUM ONLY CAFETERIA PLAN Application for Plan Preparation

EMPLOYER INFORMATION			
Company Name			Federal Tax ID
Street Address	City	State	Zip
Business Entity: <input type="checkbox"/> C. Corporation <input type="checkbox"/> Not-for-Profit <input type="checkbox"/> Sole-Proprietorship <input type="checkbox"/> LLC <input type="checkbox"/> S. Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Tax-Exempt Employer <input type="checkbox"/> Professional Corporation			

### EFFECTIVE DATE OF PLAN

Administration of this plan will begin on: \_\_\_\_\_ and end on: \_\_\_\_\_.  
 (The plan year shall mean a 12 month period. The initial plan year may be less than 12 months.)  
 Is there a Plan in place already? From date \_\_\_\_\_ to date \_\_\_\_\_.  
 Original effective date of Plan: \_\_\_\_\_

### Benefits to be offered under §125 Cafeteria Plan

- |  |  |
|--|--|
| <input type="checkbox"/> Medical Insurance | <input type="checkbox"/> Group Term Life Insurance |
| <input type="checkbox"/> Dental Insurance  | <input type="checkbox"/> Other                     |
| <input type="checkbox"/> Vision Care       | Specify: _____                                     |

### Eligibility

Minimum number of hours worked per week:  20    30    35    Other: \_\_\_\_\_  
 Probationary period for new employees – the first of the month following:  
 30 days    60 days    90 days    Other: \_\_\_\_\_  
 Number of last cafeteria plan (from 501) : \_\_\_\_\_ # of Employees: \_\_\_\_\_

### PRIMARY CONTACT

Contact Name		Title	
Mailing Address	City	State	Zip
Daytime Phone Number	Fax Number		
Email			

### Non-discrimination

A Premium Only Plan under §125 is not valid if it is deemed to be discriminatory in nature. To determine if a plan is in compliance, several test are required:

**Eligibility Test and Contributions and Benefits Test:** A plan may not discriminate in favor of the highly compensated as to eligibility to participate or as to contributions and benefits.

**Concentration Test:** Benefits to key employees under the plan may not exceed 25% of the aggregate benefits provided to all employees under the plan.

### Employer Responsibilities

- ❖ Review, adopt and sign the Plan document. It must be readily available in case of an IRS audit, a DOL or an employee request to review the document or the Employer's need to review it for administrative purposes.
- ❖ Distribute the Summary Plan Description to every employee.
- ❖ Retain any written employee change requests for at least three (3) years.
- ❖ Perform non-discrimination testing annually.
- ❖ Follow the terms of the Plan Document.
- ❖ 5500 Filing for Cafeteria Plans (Schedule F) was suspended by the IRS in 2002.

### Service Fee

Standard services will be performed according to the fee agreed upon below:

Service fee: **\$350 (due with application)**

This one-time setup fee includes a plan document (requires signature), web-ready summary plan description and web-ready enrollment form.

### Employer Certification

I hereby confirm that the preceding information is accurate. I understand that the Premium Only plan document is predicated upon the answers to the questions contained herein.

It is understood and agreed that TotalBen does not assume the employer's responsibilities for compliance with non-discrimination requirements of Internal Revenue Code §125. It is understood that a Premium Only Plan cannot discriminate in favor of Highly Compensated or Key Employees within the meaning of IRC §414(q) and §416(i).

I understand that if the Employer is organized as a C-Corporation, LLC, Sole Proprietorship or Not-for-Profit, the owners are not eligible to participate under a §125 plan. If the Employer is organized as an S-corporation, Partnership or Professional Corporation, owners and their spouses, parents, children and grandchildren, are not eligible to participate under a §125 plan.

I certify that I have read and understand the above and have sought competent legal counsel for any matters that were unclear, before signing. I also acknowledge that TotalBen makes no representation as to legal counsel or tax law, nor are to be considered an administrator of the Plan. I confirm that the Employer is the Plan Administrator and is solely responsible for the administration of the Plan.

Authorized Applicant: \_\_\_\_\_

Applicant's Signature: \_\_\_\_\_

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

TotalBen offers administrative services for employee benefits, including tax-favored plans such as mass-transit, vanpool & parking expenses and a Dependent Care Assistance Plan. TotalBen also offers individual and group benefits. Benefits include: Health, Dental, Vision, Life, AD&D, Spousal/Dependent Life, Short-term Disability (STD). Long-term Disability (LTD). Long-term Care (LTC). Annuities & Pension Plans.