PROFITGUARD PLUS

The 4-Code Cheat Sheet.

Four IRS code sections. One payroll-tax engine. Decades of legal precedent.

SECTION 125

THE PRE-TAX ELECTION

Cafeteria Plan

Allows employees to elect pre-tax deductions from gross wages for qualified benefits — before income tax and FICA hit.

SECTION 106(a)

EMPLOYER HEALTH ON TOP

Employer-Provided Health Coverage

Allows employer contributions to health benefits to flow pre-tax to the employee — no income tax, no FICA. Stacks on top of §125.

SECTION 105 + 1.105-11

THE LEGITIMATE PATH

Self-Insured Medical Reimbursement Plan (SIMRP)

Defines how an employer reimburses qualified medical expenses tax-free — WITHOUT routing through §125. This is the structural choice that survives IRS scrutiny. Programs that ran reimbursement back through §125 collapsed.

SECTION 213(d)

THE BRIGHT LINE

Definition of Qualified Medical Care

Lists what counts as medical care for tax purposes — preventative services, telehealth, mental health, care navigation, chronic condition support. Anything outside §213(d) is taxable. Period.

HOW THEY STACK

Employee elects PCMP via §125 ▯ premium pre-taxed ▯ employee participates in §213(d)-qualified preventative care ▯ SIMRP reimburses the premium under 1.105-11 (NOT through §125) ▯ employer FICA reduced, employee net paycheck increased.

WHY THIS ISN'T A GIMMICK

Programs that collapsed under IRS scrutiny shared the same flaw: they ran reimbursement back through §125 (double-dipping), or they reimbursed activities (steps, gym memberships) instead of §213(d) qualified care. ProfitGuard Plus is structured the opposite way — written plan documents, ERISA-counsel review, and real preventative care delivery.

TEN POINT FINANCIAL GROUP

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