PROFITGUARD PLUS

7 Questions before you sign.

If a payroll-tax program can't answer these clearly, walk away. Use this sheet on any program you've been pitched — including ours.

01 Show me the plan document. Who reviewed it?

WHY IT MATTERS
No plan doc = nothing to defend under audit. Programs that skipped this step or used boilerplate without legal review tended to fall apart.

A GOOD ANSWER COVERS
A written SIMRP plan document, §125 plan document, and PCMP plan document — all reviewed by CPAs and ERISA counsel.

02 Does the reimbursement flow through the cafeteria plan?

WHY IT MATTERS
If yes, the IRS calls this double-dipping. The reimbursement becomes taxable — this is what shut down most failed programs.

A GOOD ANSWER COVERS
No — reimbursement flows through a Self-Insured Medical Reimbursement Plan under Treasury Reg 1.105-11. Not through §125.

03 What exactly gets reimbursed? Is it §213(d) qualified?

WHY IT MATTERS
Step counts, gym memberships, gift cards — the IRS Chief Counsel memos targeted these. Anything outside §213(d) is taxable.

A GOOD ANSWER COVERS
Real preventative care services that qualify under §213(d) — telehealth, mental health support, care navigation, chronic condition support.

04 How does this work around the ACA §4980D penalty?

WHY IT MATTERS
Standalone employer health reimbursement plans face severe ACA penalties. Without an integration story, the program is exposed.

A GOOD ANSWER COVERS
Integrated 105 design — participants must already have major medical coverage somewhere (employer plan, spouse, parent, Medicare). That integration is what avoids §4980D.

05 Will you run mock payroll math on my actual roster — before I sign?

WHY IT MATTERS
If they won't show the math on your team, the claimed savings don't survive a real-world check. Promoters making big claims without specifics is a flag.

A GOOD ANSWER COVERS
Yes — your headcount, salary mix, payroll cadence, and participation assumptions modeled before any plan goes live.

06 What's the eligibility floor — and who actually qualifies?

WHY IT MATTERS
Programs that include workers below sustainable income thresholds, or that ignore the major-medical integration rule, raise audit risk for the whole plan.

A GOOD ANSWER COVERS
Full-time W-2 employees making $17,000+/year, AND each participant has major medical coverage somewhere. Voluntary participation.

07 How are you compensated? What does this cost me to set up?

WHY IT MATTERS
Commission-loaded structures bend the plan to favor the promoter, not the math. Hidden setup or admin fees can erase the savings.

A GOOD ANSWER COVERS
Disclosed fee structure up front, wrapped into standard plan administration. Mock payroll shown net of all costs before you sign.

THE BOTTOM LINE

If the promoter can answer all seven cleanly — with documents, code citations, and your actual numbers — you have a real program. If they can't, you have a pitch.

TEN POINT FINANCIAL GROUP
tenpointfinancialgroup.com