



### **Top 10 Reasons why my paycheck has changed:**

1. Change in Tax Exemption  
Ex: went from Married w/3 kids to Single w/0 kids (any change in filing status will affect your paycheck)
2. Marital Status  
Ex: a married person pays less taxes than someone who is single
3. Income Change  
Ex: the higher your income the more taxes you pay, this is based on specific tax brackets for your situation
4. Hours Worked  
Ex: if you work less hours than usual, you make less money, which results in less taxes being paid. We account for this when we calculate your reserve dollars. We reduce your allotment by 12% to cover these times. However, if there is going to be a permanent or extended hours worked reduction, we will need to make some adjustments for you.
5. Deduction Changes  
Ex: adding coverage, deleting coverage, or premium changes
6. Increased 401k Contribution
7. Change in Over-Time
8. Bonus Change
9. Change in Allowances / Stipend  
Ex: cell Phone or uniform
10. If earning over \$142,800

### **Payroll Codes You May See Added To Your Check:**

1. PCM - Preventative Care Management
2. SIMRP - Self-Insured Medical Reimbursement Program

For any specific questions call our office at 256-826-5309.

**SIMRP Employee FAQs**

### **Will my gross income change when I enroll in the program?**

- **No**, this program will not change your gross income. However, because of your participation in a Section 125 Cafeteria Plan, your taxable income will be lower. This will reflect on your W2 at the end of the year.

### **Will my net pay or “take home” pay be lower?**

- **No**, your net take home pay will not be lower. (Unless you choose to spend more than the allotment given to you.)

### **Will my pay stub change?**

- **Yes**, you will notice two new deductions and a reimbursement. These changes will lower your withholding and the amount you pay in FICA and State taxes.

### **Will lowering my tax deductions from my weekly check cause me to pay more in federal income taxes at the end of the year?**

- **No**, by lowering your taxable income, you have lowered the amount you owe in taxes. Your withholding will drop as a result as well.

### **I noticed I am no longer paying federal withholding tax.**

- Below a certain taxable income point, the Federal Government no longer withholds taxes. When you lower your taxable income through enrollment in a Section 125 plan, you may hit that lower amount.

### **If I wish to increase my federal withholding, can I?**

- **Yes**, by changing the number of deductions on your W4 or by electing to have additional withholding, but it is not necessary, your income tax requirements will decrease.

### **Will this change my tax refund I get next year?**

- **It will not affect it in a negative way**, we are lowering your taxable wages which in result lowers how much you owe in taxes. However much you “overpay the IRS” you will get that back still. We are only dealing in the actual amount you owe the government. For specific questions please contact your tax advisor.

### **I noticed my FICA tax dropped will this affect my social security payments when I become eligible?**

- Depending on how much you have already contributed, it may lower your monthly amount. The savings you generate through participation will more than offset that reduction. If you have maxed out your 40 quarters, your benefits will not change. Most

employees see little to no change. (Ask your agent for the “Social Security Letter” for a detailed explanation)

**What products can be used with the tax savings (allotment) dollars?**

- Approved insurance products can be purchased with your tax savings. Your representative will provide you with the information for all the products available.

**Does my Allotment need to be used in their entirety?**

- It is recommended that all tax savings (allotment) dollars be used to purchase insurance products because any cash reimbursement could be taxable.

**Is this program legal?**

- Yes, this is a tax qualified Self-Insured Medical Reimbursement Program with a wellness focus that uses tax advantage provisions under the Internal revenue Service codes “Section 125 Cafeteria Plan and coeds 105, 106, and 213(d)” and ACA wellness rules.

**Are there any requirements for me to stay compliant on this program?**

- Yes, you must do 1 activity a year in the system. If you fail to complete this 1 activity you will be removed from the program at the next open enrollment along with the potential of losing all benefits received because of your participation.
- This can be accomplished by simply watching a video or using the tele-health service.

**What do I need to do first?**

- Answer the email from Attentive to set up your account and complete your online Health Risk Assessment (HRA). The purpose of the HRA is to provide you with suggestions on where to start in the program, the artificial intelligence takes your answers and builds you a roadmap. Everything is completely private and only you have access to the data. Everything is bound by HIPPPA regulations.

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