

Solution Focus

Benefit: ICHRA
Industry: Accounting
Region/State: Wisconsin & Minnesota

Summary of Benefits:

- Affordable coverage for small staff
- Reduced year end taxable income
- Streamlined and predictable accounting
- More competitive employee benefits

“If I went with a group insurance plan, I couldn’t afford the costs even for my small staff,” Jeni said. “But when I heard about Benafica, I signed up.”

- Jeni Wentz
Owner

Accountant Advises Clients to Consider HRAs in Tax Planning

Owner Offers ICHRA benefit to her own staff

Jeni Wentz is the owner of Wentz Accounting and Tax Services, Ltd. in Red Wing, Minnesota. Located between Rochester and the Twin Cities, Jeni recognizes the reality of potential health care costs for her staff and clients.

“If I went with a group insurance plan, I couldn’t afford the costs even for my small staff,” Jeni said. “But when I heard about Benafica, I signed up.”

Like Jeni, her employees had health insurance through their spouses’ employer or other means. Adding a Health Reimbursement Arrangement (HRA) benefit doesn’t affect her team’s taxable wage, but it reduces Jeni’s year-end taxable business income while helping her employees cover their health care costs. It’s a win-win.

“I’m competing for talent with the Twin Cities and Rochester, and I wanted to add another benefit to attract and retain people who don’t want that commute time or extra car and gas expense, but who want a professional office setting where they get to know the clients.”

Since tax season never seems to end these days, Jeni also needed something easy to manage and easy for her employees. While Benafica manages the account set-up and administration, Jeni simply records the monthly debit in her accounting. Meanwhile, her employees can submit expenses and track their electronic reimbursements through an online portal.

“It is really a low-cost option to administrate,” Jeni said.

HRAs Support Tax Planning and Retention

Seeing how well the HRA is working for her company, Jeni began advising her clients to consider this health benefit for their businesses.

"I have many small companies in Minnesota and Wisconsin, and I have approached them to say, 'Let's get benefits for your people so they will stay.' I bring it up during tax planning as a way to reduce their tax impacts."

One of her clients who had an HRA benefit through another company is switching to Benafica because the monthly accounting through Benafica is more streamlined and predictable on their books.

For business owners who experience higher turnover among key staff, this job benefit may make that extra difference to keep a manager, a head cook or many part-time employees from jumping ship for a little extra pay.

Jeni thinks the benefit does help with retention when employees are receiving extra monthly cash to cover health insurance premiums or direct health care expenses.

"Benafica does a good job of explaining the options, and I think they do a good job when I send my clients there. They are obviously signing up like me!"

Questions?

Learn more about Health Reimbursement Arrangements. There is more than one solution to fit your organization. Our team provides superior customer service, education to employers and employees, and ease of administration with our proprietary software. If you would like to learn more about our HRA services, feel free to contact Benafica today.



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