



EmployWell
Program

Compliance Framework

IRS Code Alignment • Employer Savings • Employee Wellness

Powered by Attentive & CP+



Introduction

Purpose of This Deck

Provide CPAs with clear IRS code references and practical examples demonstrating how we operate legally under the following codes:

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SECTION 125
Cafeteria Plans

SECTION 105
Medical Reimbursement

SECTION 213(d)
Eligible Medical Expenses

SECTION 62(a)
Payroll Adjustments

These are not tax gimmicks; they are structured under long-standing IRS frameworks.

The Problem

- Rising employer payroll costs & shrinking margins.
- Employees struggling with work-related out-of-pocket expenses.
- Growing employee stress, burnout, and retention issues.
- Traditional benefits are outdated and don't meet modern workforce needs.

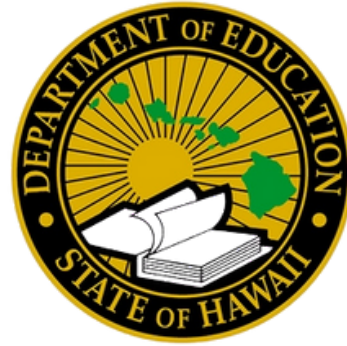
The Solution

EmployWell *Program*

Powered by Attentive & CP+

We reduce payroll costs and employee expenses by combining tax optimization with modern health and wellness benefits. Our platform transforms savings into meaningful, everyday support for employees while lowering costs for employers.

Trusted Clients & Partners



Schools
School Districts
Universities
Counties
Towns
Hospitals
Health Clinics
Car Dealerships
Tech Companies

EmployWell Overview & Compensation

Who We Are & How We Operate

What EmployWell Offers:

- CP+ Accountable Reimbursement (job-related business expenses)
- Attentive Wellness Subscription (qualified medical care services)

How We Get Paid:

- Compensation is tied to a portion of the tax savings created, not hidden fees.
- Employers save on payroll taxes, employees save on income taxes.
- Administration, compliance oversight, and reporting are bundled in.

Things You Should Know:

- You do NOT need to change your benefits provider
- We are an additional program to add to your suite of benefits.
- Our Program is automatic Enrollment
- Turnkey Wellness Program with Quick + Easy Implementation





- IRC § 61 – Defines gross income.
- IRC § 62(a)(2)(A) – Allows deductions for employee business expenses reimbursed under an accountable plan.

Tax-Free Reimbursement, Simplified

- Converts employee out-of-pocket expenses into tax-free payroll reimbursements
- Employees take home more pay (no income or payroll tax on reimbursed amounts)
- Employers save on FICA payroll taxes
- CP+ handle all receipts & reporting
- No extra HR or payroll work — fully automated



CP PLUS™ Compliance & Reimbursable Examples



How CP+ Is Compliant:

- Operates strictly under accountable plan rules:
- No salary reduction.
- Substantiation required.
- Employer retains control of funds.
- Unused amounts cannot revert to wages.

Examples of reimbursable expenses:

- Mileage & travel for business.
- Continuing education.
- Work tools & uniforms.
- Professional dues & conference fees.

All job-related, substantiated, and excluded from taxable wages under § 62.

Why this matters for YOU and your Employees.

Minimum Employee Savings:

Legally deduct \$150/month with no proof of receipts.
(\$75/internet and \$75/cell phone)

Employee takes home more pay (no income/payroll tax on that \$150).

Minimum Employer Savings:

Employer does not need to pay 7.65% FICA on \$150/month/employee
Employer Saves \$11.48/month/employee

Employer saves \$137.70/employee/year





Compliance Framework

IRS Codes:

- IRC § 125 – Cafeteria plan rules allowing employees to elect pre-tax benefits.
- IRC § 105(b) – Excludes employer-provided payments for medical care.
- IRC § 213(d)(1)(A) – Defines medical care (diagnosis, cure, mitigation, prevention of disease).

How it Works:

1. The employee pays for the health related services.
2. The cost is reimbursed tax-free, which lowers taxable income.
3. Because taxable income is reduced, the employee keeps more of their paycheck.
4. Portion of those savings cover the program fees.

Retail Value of Attentive Benefits



Online Addiction Recovery & Behavioral Health

- Comparable recovery programs run \$250–\$400/month.
- Estimated Value: \$300/month



Employee Assistance Program (EAP)

- Comparable EAP programs \$30–\$100/month
- Estimated Value: \$75/month



Cardiovascular Risk & Health Screening

- Biometric screenings & risk assessments average \$500–\$1,000 annually if purchased individually.
- Estimated Value: \$100/month



24/7 telemedicine and digital urgent care services

- Standalone telemedicine plans typically cost \$25–\$40/month.
- Estimated Value: \$50/month



Clinical Resources & Preventive Health

- Digital Mayo programs and second-opinion services can exceed \$1,000/year.
- Estimated Value: \$150/month



Disease management/care coordination

- Programs often run \$400–\$700/month retail
- Estimated Value: \$498/month

TOTAL MONTHLY VALUE = \$1,173

Section 125: Cafeteria Plans

What §125 Says

- Allows employees to choose between taxable cash and qualified non-taxable benefits.
- Defines the mechanism for offering tax-preferred benefits.

How Attentive Complies

- Employees elect \$1,173/month in Attentive benefits through the §125 Cafeteria Plan.
- This deduction is taken pre-tax, lowering taxable wages.
- Benefits are locked in for the plan year (unless IRS-defined qualifying event occurs).
- Elections are uniformly applied across employees.
- Plan documents are maintained for full audit compliance.



Section 213(d): Definition of Medical Expenses

What §213(d) Says

- “Medical care” = expenses for diagnosis, cure, mitigation, treatment, or prevention of disease.
- Includes services affecting structure/function of the body.
- Excludes general wellness, cosmetic, or non-prescribed lifestyle expenses.

Why What we do Works

- §213(d) defines what counts as a medical expense.
- These expenses do not need to be covered by a health insurance policy in order to qualify.
- They simply need to be:
- Paid for medical care (as defined by §213(d)), and
- Properly substantiated through documentation.
- Attentive reimburses §213(d) qualified expenses under an employer-sponsored benefit plan (not indemnity insurance).



Attentive Benefits and Why They are 213D Compliant



Online addiction recovery and behavioral health program.

Why it qualifies:

Substance use disorder treatment is explicitly covered under §213(d) as “treatment of disease.” Counseling and recovery programs supervised by licensed professionals are medical expenses.



Employee Assistance Program (EAP)

Why it qualifies:

Mental health therapy provided by licensed professionals = §213(d) medical care. Covered when it is treatment/mitigation of mental or emotional illness, not just life coaching.



Cardiovascular Risk & Health Screening

Why it qualifies:

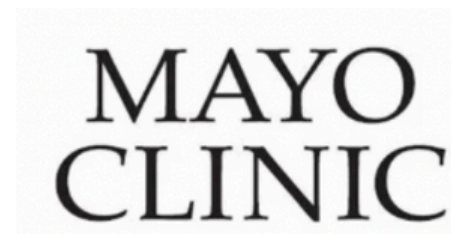
Biometric analysis and health risk screenings, diagnostic tests and preventive screenings are §213(d) eligible. They fall under “diagnosis and prevention of disease.”



24/7 telemedicine and digital urgent care services

Why it qualifies:

Medical services provided by licensed physicians are §213(d) eligible. Includes diagnosis, treatment, and prescriptions.



Access to clinical resources, preventive health programs

Why it qualifies:

Services tied to diagnosis, treatment, or prevention of disease = §213(d). Preventive care and medical consultations are explicitly covered.



Chronic condition management, care navigation, and clinical support

Why it qualifies:

Management of chronic illnesses (e.g., diabetes, hypertension) is medical care under §213(d). Covers treatment, mitigation, and monitoring of disease.

How Section 105 Works with Attentive

Employee Perspective

- Employee elects Attentive benefit under the §125 cafeteria plan.
- \$1,173/month is deducted pre-tax from payroll.
- Instead of losing \$1,173 in wages, the employee receives the equivalent value in §213(d)-qualified medical services.

How §105 Applies

- §105 allows reimbursements for medical expenses to be excluded from taxable income.
- Attentive bundles the \$1,173 worth of services
- Employees are effectively refunded their pre-tax deduction in the form of direct access to covered medical benefits.

Why It's Compliant

- Services are pre-vetted as §213(d)-qualified medical care.
- Employees don't receive cash; they receive medical benefits.
- Substantiation occurs at the plan/provider level, not individual claim level.
- Not indemnity insurance — no lump sums, no taxable payouts.



Key Distinction — Not Indemnity Insurance

Indemnity Insurance

- Pays lump-sum cash when an event occurs (e.g., \$100/day in hospital).
- Employees keep cash regardless of actual medical expenses.
- Classified as insurance, subject to state DOI regulation and insurance rules.

Attentive §105 Plan

- Provides access to defined medical services already vetted as §213(d).
- No lump sums, no cash payouts.
- Substantiation at the plan level: only §213(d)-qualified services included.
- Fully IRS-compliant when layered with §125 (elections) and §213(d) (medical expense definitions).

Where Employ Well Fits

- IRS rules: 90% of all cash generated from tax savings must be rolled into other post-tax benefits.
- EmployWell administers this portion by providing access to additional lifestyle and wellness benefits (education, sound therapy, identity protection, coaching, etc.).



EmployWell Administration Fee Includes the Following Benefits:



Identity Theft Protection for employee and their family.

Retails at \$15/month/employee



Allows Employees to get reimbursed for their out of pocket work expenses.

Monthly Fee: \$8/employee



Holistic Wellness Courses and Products
30-80 new products are added every month

Retails at \$600/month/employee

TOTAL MONTHLY VALUE = \$623

How This Works in Real Life

Employee Monthly Paycheck

Before EmployWell



After EmployWell

Pay Period: 06/01/2024 - 06/30/2024	Pay Period: 07/01/2024 - 07/30/2024
Pre Tax Deductions:	Pre Tax Deductions:
Health Insurance \$500	Health Insurance \$500.00
	Section 125/Attentive \$1,173.00
	Section 61/ CP+ \$150.00
Total Monthly Income \$3,458.35	Taxable Monthly income \$2,135.33
Statutory Deductions:	Statutory Deductions:
Federal Income Tax \$415.00	Federal Income Tax \$216.24
Social Security \$214.42	Social Security \$163.39
Medicare \$50.15	Medicare \$38.21
State Income Tax \$172.92	State Income Tax \$131.36
Total Taxes \$852.48	Total Taxes \$549.20
	IMPACT OF EMPLOY WELL PROGRAM
	Tax Savings \$303.29
	Post Tax Reimbursement
	SMIRP Section 105/ Attentive \$1,173.00
	Section 62(a)/ CP+ \$150.00
	Net Post Tax Deductions
	Attentive Admin Fee (\$89.00)
	EmployWell Admin Fee (\$143.00)
Net Pay \$2,605.85	Net Pay \$2,676.59

CP+ and Attentive are deducted pre-tax, lowering taxable income.

Because taxable income is lowered monthly tax savings are generated.

CP+ & Attentive expenses are reimbursed post tax.

90% of savings generated from Attentive are used to pay EmployWell and Attentive administration fees.

+\$70/MONTH RAISE PER EMPLOYEE — WITHOUT COSTING YOU A PENNY

BEFORE

→

AFTER

Pay Period: 06/01/2024 - 06/30/2024		Pay Period: 07/01/2024 - 07/30/2024	
Gross Wages	\$3,958.33	Gross Wages	\$3,958.33
Pre Tax Deductions:		Pre Tax Deductions:	
Health Insurance	\$500	Health Insurance	\$500.00
		Attentive	\$1,173.00
		CP+	\$150.00
Total Monthly Income	\$3,458.35	Taxable Monthly income	\$2,135.33
Statutory Deductions:		Statutory Deductions:	
Federal Income Tax	\$415.00	Federal Income Tax	\$216.24
Social Security	\$214.42	Social Security	\$163.39
Medicare	\$50.15	Medicare	\$38.21
State Income Tax	\$172.92	State Income Tax	\$131.36
Total Taxes	\$852.48	Total Taxes	\$549.20
		IMPACT OF EMPLOY WELL PROGRAM	
		Tax Savings	\$303.29
		Post Tax Reimbursement	
		Attentive	\$1,173.00
			\$150.00
		Net Post Tax Deductions	
		Attentive Admin Fee	(\$89.00)
		EmployWell Admin Fee	(\$142.00)
Net Pay	\$2,605.85	Net Pay	\$2,676.59

+\$70/month
+\$849/year
+ 2.7% increase
+ Benefits

100 employees = \$84,900 more take-home pay across your workforce.

How Employers Save Money

Step 1: Pre-Tax Contribution

\$1,323/month is contributed pre-tax
Employer avoids paying the 7.65% FICA tax.

Step 2: FICA Savings Calculation

$\$1,323 \times 7.65\% = \$101.20/\text{month saved}$
 $\$101.20 \times 12 \text{ months} = \$1,214.51 \text{ annually}$

Step 3: Program Fee

$\$40/\text{month} \times 12 \text{ months} = \$480/\text{year}$
Fees are deducted from the savings, not out of pocket!

Step 4. Net Savings Per Employee:

$\$1,214.51 - \$480 = \$734.51/\text{year/ employee}$

Step 5: Conservative Estimate Used

To account for FICA contribution caps, we conservatively estimate \$700/year net savings per employee.

\$700 Net Profit per Employee Every Year

10 Employees	\$7,000
25 Employees	\$17,500
50 Employees	\$35,000
100 Employees	\$70,000
1,000 Employees	\$700,000

This is net profit back to your company – automatic, scalable, and risk-free.



How We Get Paid:

All From Savings,
Never From Your Pocket

Where Savings Go

90% of EMPLOYEE SAVINGS

\$89 → Attentive
Remainder → EmployWell

EmployWell
Program

benefits + support

 **Attentive**[®]

compliance + administration

BUSINESS SAVINGS

\$40/employee/month → Attentive

\$700 Net Savings to Employer

To Sum It Up Our Program Increases



1 Your Bottom Line



2 Employee Pay



3 Employee Retention



References & Resources

- **CPA Journal Article:**
[20 Questions about Establishing a Health & Wellness Program in the Workplace](#)
- **IRS Publication 15 (2025):**
[Employer's Tax Guide \(see p.19, Medical Care Reimbursements\)](#)
- **26 CFR §1.105-11 (Treasury Regulation)**
[Rules for Self-Insured Medical Reimbursement Plans](#) (Treasury 1.105-11 – GovInfo)
- **Law Cornell: 26 CFR §1.105-11:**
[Cornell Law summary of SIMRP regulations](#)
- **CPPlus**
[Program White Paper](#)



EmployWell Program

Still have questions?

Let's Talk! Book a Meeting Today.

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