

# Your Guide to Offering Health Benefits for the First Time

Providing employee health benefits for the first time doesn't have to be overwhelming. Whether you're new to offering employee benefits or just exploring your options, you've got choices. Here's a quick comparison of the top three approaches to providing health benefits to your team:

1

## STIPEND / ICHRA



Provide employees with a set stipend or reimburse health insurance costs tax-free (ICHRA) or post-tax (stipend).

2

## GROUP PLAN VIA BROKER

### HOW IT WORKS



Work with a broker or benefits platform to set up group plans. Employees enroll in the plan managed and offered by your business.

3

## PEO



Partner with a Professional Employer Organization (PEO) to handle health benefits, payroll, and HR, with access to large-group plans at competitive rates.

### BENEFITS



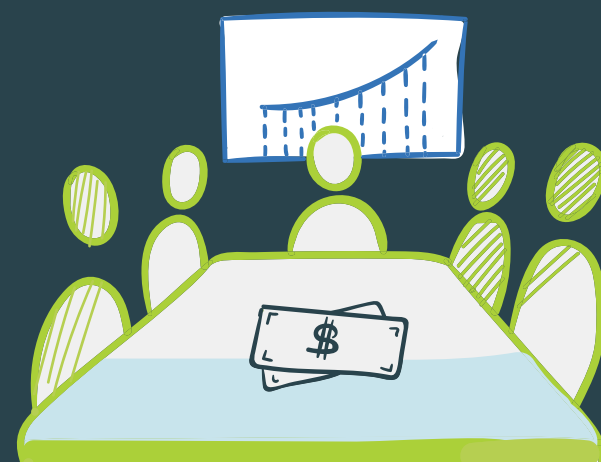
Control your costs by setting a fixed reimbursement amount.

Employees choose their own health plans for personalized coverage.



Familiar and widely trusted by employees.

Tax-free benefits for employers and employees.



Access better rates through group buying power.

Combines your HR, payroll, and benefits management under one roof.

Streamlined compliance with state and federal regulations.

### CONSIDERATIONS



Taxable stipends are easy to administer but are not tax-free.

Requires a marketplace with strong individual plan options.

Requires employees to have some insurance knowledge to pick the right plan for their needs/situation.



Higher premiums and fewer plan options to choose from.

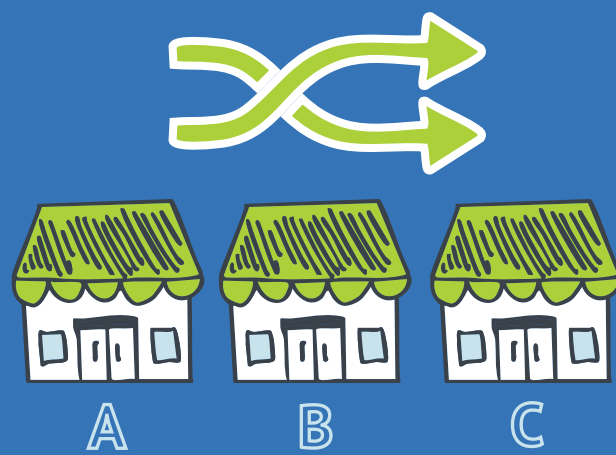
Requires manual process for ongoing benefit administration.



Higher admin costs compared to handling everything in-house. These fees can add up over time if you're not keeping an eye on them.

Plus, PEOs might not offer much flexibility when it comes to choosing medical carriers.

### BEST FOR



Small businesses that need flexibility and simplicity.



Startups and small businesses with growing teams.



Businesses looking for an all-in-one HR and benefits solution.

Best for multi-state or international employers setting up US operations.



### Did You Know?

Businesses under 50 employees aren't required by law to offer health insurance but doing so can help your company attract and retain top talent while fostering loyalty.



### Finding the Right Fit

No two businesses are the same—that's why we're here to help. PairPEO is a PEO broker that matches businesses with the right PEO based on their budget, business needs, and priorities.

Get Started with PairPEO: [www.pairpeo.com](http://www.pairpeo.com)