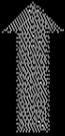


 Wolters Kluwer

ADP - Group Health Insurance Strategy - An Overview for CPAs

Materials, including a copy of your final exam questions, are available to download from the top bar. The final exam is available to take at the end of the course. 

The sidebar shows an outline of each slide and review questions. You may use the sidebar to jump to a particular slide at any time. 

You will see controls at the bottom of the screen for adjusting the volume and advancing slides. 



1

Group Health Insurance Strategy

An Overview for CPAs

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2

ADP - Group Health Insurance Strategy - An Overview for CPAs

Meet your host



Andrew DeRosa

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Disclaimer

This presentation is not:

- Legal advice
- The final word on today's topics
- A political opinion



Before Taking Any Actions

Before taking any actions on the information contained in this presentation, employers should review this material with internal and/or external counsel.

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ADP - Group Health Insurance Strategy - An Overview for CPAs

Our Agency



- ✓ An affiliate of ADP, Inc.
- ✓ 30 years in business
- ✓ 900+ licensed agents
- ✓ \$2B+ in written premium
- ✓ ~250k+ small/mid-sized clients

How ADPIA clients' benefit:

Automated integration
with payroll helps
reduce administrative &
compliance burdens

24/7 self service and
policy management
available through
insurance dashboard

Manage benefits online
with our benefits
administration platform at
no additional cost

Receive enhanced
reporting to manage
workers' compensation and
group health enrollment

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Agenda

- Accounting – A Changing Landscape
- Group Health Overview – Medical & Ancillary
- Premium Only Plans
- Health Reimbursement Accounts (ICHRA & QSEHRA)
- Benefits Administrative Solutions
- Integration with Payroll



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ADP - Group Health Insurance Strategy -
An Overview for CPAs

Accounting: A Changing Landscape

Accountants were asked technology trends in accounting.

▶ **Only 32% of respondents** express extreme confidence that their firms are well-positioned to navigate future technology advancements and information challenges, considering current market conditions *

Firms face many challenges, from new compliance pressures and rapid pace of legislative change to greater competition for talent. Seeking continued growth, firms will need to go beyond traditional business practices and rethink their approaches to people, processes, and technology.

- Jason Marx, President and Chief Executive Officer, Wolters Kluwer Tax & Accounting North America

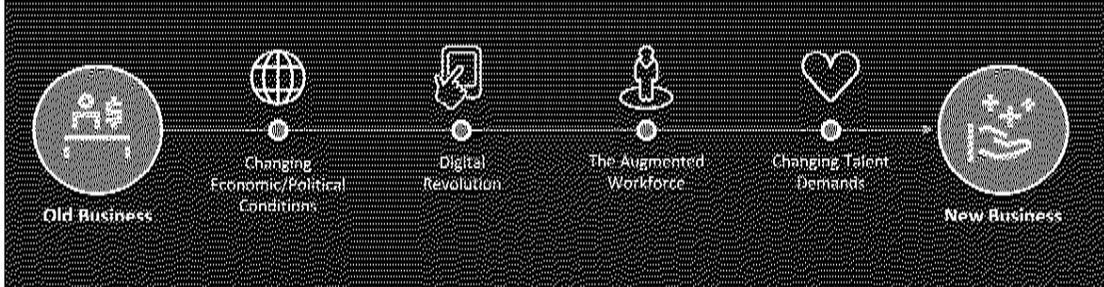
Copyright © 2024 ADP, Inc. *New Wolters Kluwer survey of tax and accounting professionals | Wolters Kluwer



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Accounting: A Changing Landscape

How will you adapt?



Old Business → **Changing Economic/Political Conditions** → **Digital Revolution** → **The Augmented Workforce** → **Changing Talent Demands** → **New Business**

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Accounting: A Changing Landscape

"We must seek to be more than great tax advisors and consultants, or terrific auditors or accounting experts ... We need to aspire to broaden the footprint of our relationships, to include not only our accounting technical expertise as a foundation, but to layer on capabilities around strategy, business transformation, IT consulting, data analytics, outsourcing, cybersecurity, and a myriad of other needs that our clients have."

- Matt Armanino, Chief Operating Officer, Armanino



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Group Health Overview – Medical & Ancillary



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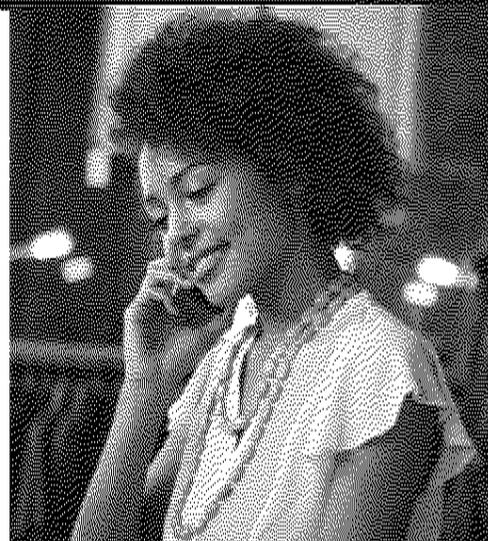
ADP - Group Health Insurance Strategy -
An Overview for CPAs

Group Health Plans – Overview

What is Group Health coverage?

Group healthcare refers to health insurance coverage provided to a group of people, typically employees of a company, members of an organization, or members of a union.

This type of healthcare coverage is offered by employers or other organizations to provide medical benefits to their members or employees and their dependents.



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Should your clients offer medical benefits?

- **96%** of Employees that are satisfied with their benefits are also satisfied with their jobs
- **88%** of Executives agree that benefits programs have the most impact on improving loyalty and increasing engagement
- **83%** of Employers surveyed have changed their benefits strategy over the past three years



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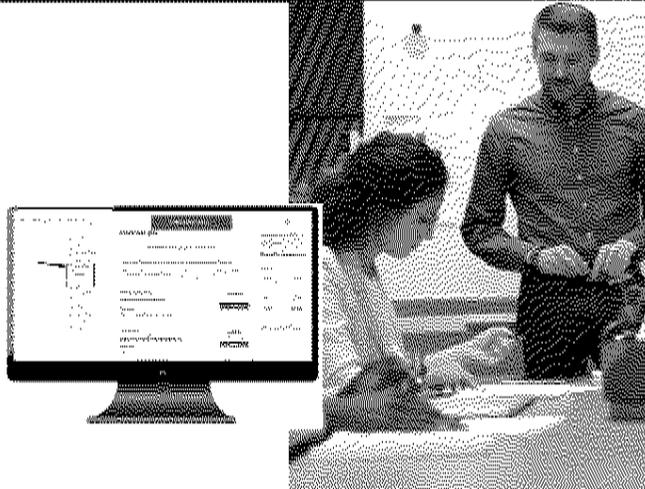
Help for your Employees

Easy Administration for Employers

- **Design** the perfect program
- **Educate** and **onboard** employees
- **Automated** compliance and reporting
- Support from an experienced **Client Success Team**

Personal Support for Employees

- **Plan shopping:** Help employees pick. Online or phone
- **Easy Submission:** Snap a photo & upload online!
- **Service:** Best-in-class support team



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Group Health Plans - Ancillary

					
Dental	Vision	Group/ Term life	Short-term disability	Long-term disability	Supplemental Health
•	•	•	•	•	•
Contributes to oral health and overall wellness of employees and their dependents	Eye care benefits for employees and their dependents with package or discount options.	Provides financial protection for employees' beneficiaries	Pays a percentage of an employee's salary for a specified amount of time, if he or she is ill or injured and cannot perform their job	Pays a portion of an employee's salary when he or she cannot work for an extended period	Pays for services and out of pocket expenses that regular insurance does not cover

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Group Health Plans – Ancillary Stats

20.5
Million

◆

illnesses related to oral health have resulted in 20.5 million lost workdays each year?¹

\$184

◆

The average cost of an annual eye exam. You can often provide employee coverage for less than \$15 per month on average?²

45% of
Employees

◆

view life insurance as the top benefit that they want from their employer (second only to employer-covered healthcare)?³

About 25%

◆

of people who are 20 years old today will have a disability before age 67?⁴

1. Collins, Luján, Corbin Introduce Bipart... | U.S. Senator Susan Collins (senate.gov)

2. How Much Is An Eye Exam? – Focuser Advisor

3. What Employee Benefits Should Every Employer Offer? KRI Benefits

4. Social Security Basic Facts (ssa.gov)

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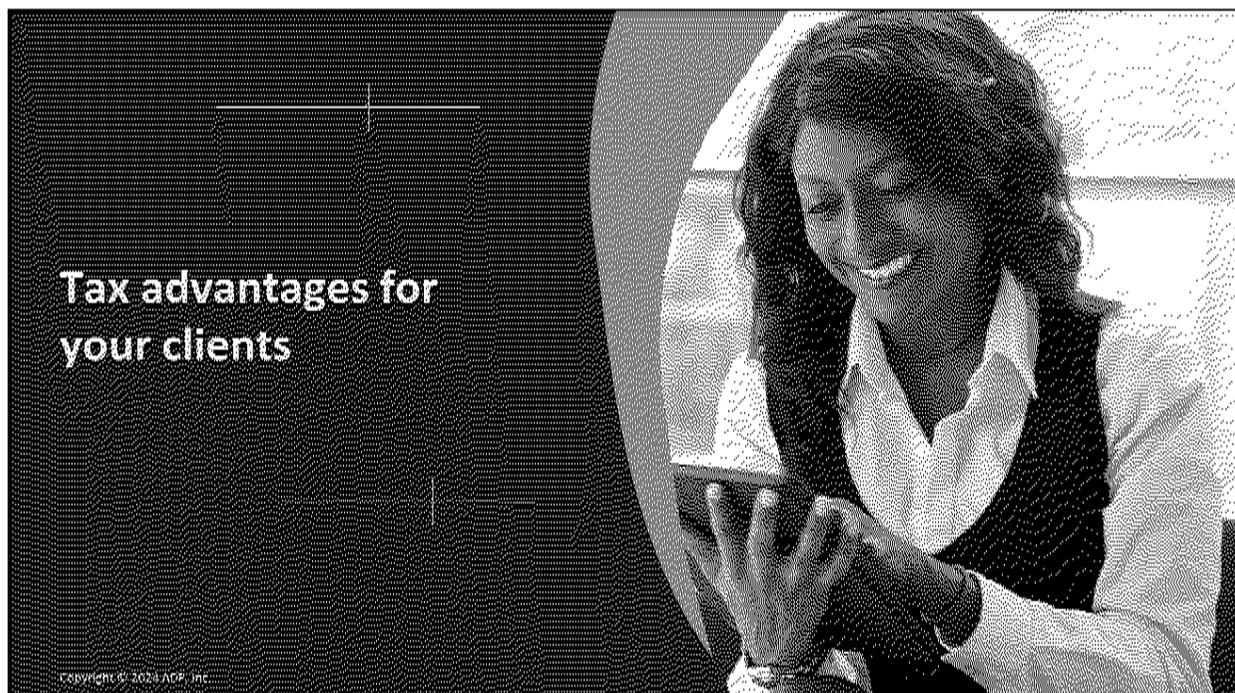
Review Questions 1-2



Which of the following refers to health insurance coverage provided to a group of people, typically employees of a company, members of an organization, or members of a union?

- Medicare
- Group health plan
- Individual healthcare
- Medicaid

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What is a Premium Only Plan (POP*)?

What is a POP?
 Part of IRS Code Section 125 Cafeteria Plans, POP allows an employer and their employees to reduce the tax expense associated with paying premiums on certain group insurance.
 It can be used with: Medical, Dental, Vision, AD&D, LTD, and GIL insurance

Benefits to the Employee	Benefits to the Employer
<ul style="list-style-type: none"> ▪ Pays premiums with pretax dollars. (Medical, Dental, Vision, Life) ▪ Taxable income is reduced, and take-home pay is increased. 	<ul style="list-style-type: none"> ▪ Reduced Social Security/Medicare tax (FICA) on employee taxable income. ▪ Lower employee taxable income = lower employer tax expense.

* Participants can save on federal income taxes, state income taxes in most states, and Social Security/Medicare (FICA) taxes. Employers can save on the matching portion of FICA taxes and federal unemployment taxes and on state unemployment taxes in many states. State income tax rules vary by state. Check with your tax advisor or CPA to see how your state treats a POP.

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Group Health – Tax Benefits

The diagram illustrates the hierarchy of tax benefits for group health insurance. On the left, an illustration shows a person standing on a ladder, holding a large coin with a dollar sign, symbolizing financial gain or benefit. To the right, three dark rounded rectangular boxes are arranged horizontally, connected by right-pointing arrows. The first box is labeled 'Tax Exemptions', the second 'Deductions', and the third 'Tax Credits', indicating that exemptions are the most favorable, followed by deductions, and then credits.

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Why should your clients offer group health and have a ben admin solution?

A black and white photograph of three women sitting around a table in an office environment. They are looking at documents together, suggesting a collaborative business meeting or consultation. The woman in the center is smiling, while the others are focused on the papers.

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An Overview for CPAs

Client Triggers

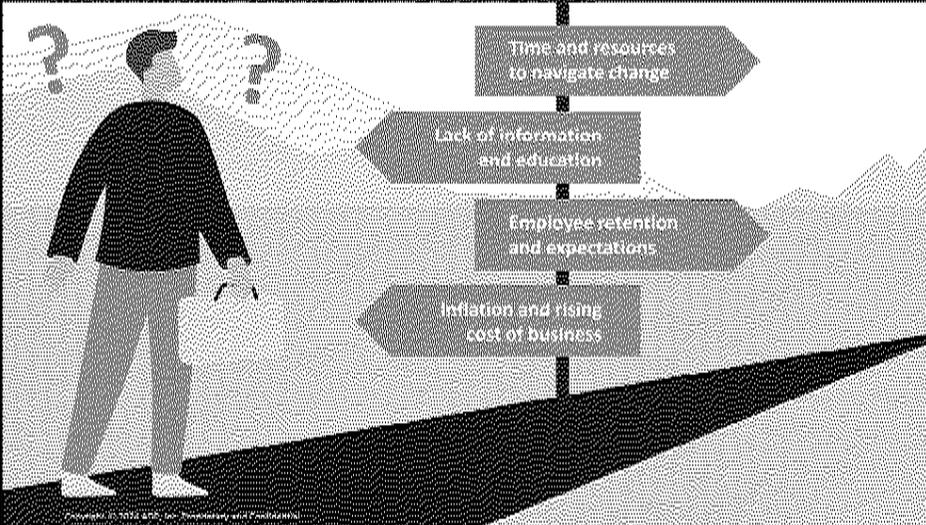
- Employee Turnover
- Changes in Key Staff
- Compliance/Litigation Challenges
- Business Growth or Expansion
- Spinoffs/Mergers/Acquisitions



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Common Client Challenges



- Time and resources to navigate change
- Lack of information and education
- Employee retention and expectations
- Inflation and rising cost of business



57%
of small businesses cut costs in 2023.
Forbes

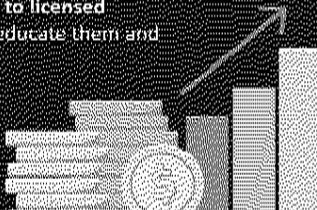
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Business Objectives

What if you could help your clients:

- Keep their employees happy and healthy with a full suite of affordable and scalable benefits
- Ease the burden of offering and administering benefits with an integrated system
- Have direct access to licensed resources to help educate them and their employees



With ADP's host of services, you can put together a truly proactive business strategy that can:

-  Create stronger talent retention
-  Establish better business efficiencies
-  Generate higher profits

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Group Health – Client Scenario #1



Your client is working with a local insurance agency to manage their medical and ancillary policies. They have been an ADP payroll client for year but isn't interested in H&B services because they don't like to have their eggs in one basket.

They have 15 employees, and they are utilizing a lot of manual process to manage their insurance policies.

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Group Health – Client Scenario #2



You have a client who wants to offer Group Health, but cost is their primary concern, and they need to offer the most economical plan possible.

What should they do?

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What is an ICHRA or QSEHRA?

A new way for employers to offer health insurance



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What is ICHRA?

A new way to offer health insurance

Group Plan

ICHRA (Individual Coverage HRA) QSEHRA (Qualified Small Employer HRA)

Employers set an allowance and employees choose the plan that fits their needs

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What is ICHRA?

The advantages of an HRA-Driven Model

For Employers

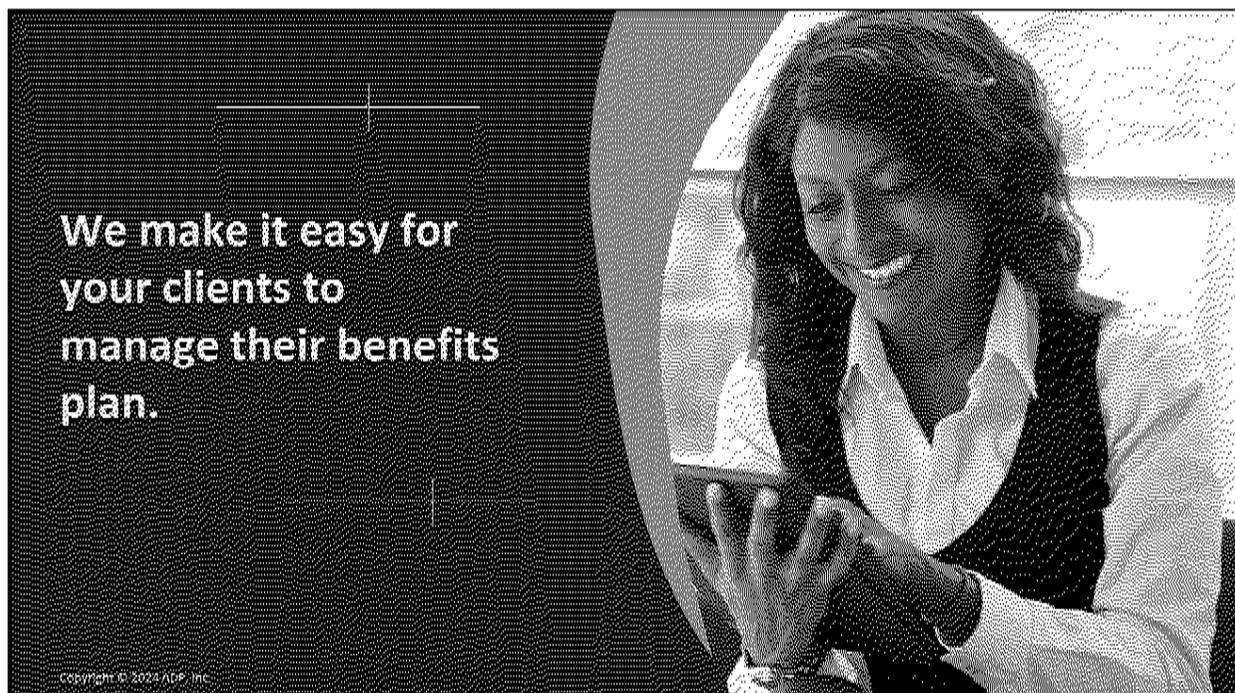
- **Cost Control:** Set your budget & cap spend
- **Remove Risk:** No more carrier renewals
- **Participation:** No minimum requirements
- **Compliant:** Satisfies employer mandate
- **Savings:** Keep unclaimed reimbursements

For Employees

- **Choice:** Pick the health plan to meet needs
- **Comprehensive Coverage:** Like group plans
- **Portability:** Keep their health insurance
- **Control:** Secure the right level of coverage

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Online Management Portals

The diagram shows three interconnected components: ADP Payroll at the top, Insurance Company at the bottom, and Benefits Administration in the center. Arrows indicate a clockwise flow of information between these three entities.

- 
Client Online Dashboard - Manage group health benefits from a simplified online dashboard with real-time data updates, increasing accuracy and reducing the potential for errors.

- 
Enrollment Management - The days of paper applications are over! Our technology eliminates paper forms, provides real-time updates as employees advance through open enrollment and sends employee plan selections directly to the insurance carrier.



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Online Management Portals

Advantages of Integrating payroll and benefits

- ✓ **Saves your clients' time** - A fully integrated system often lets you manage new hires, terminations and demographic changes directly from your payroll system and easily sync the changes to your benefits administration platform.
- ✓ **Reduces Errors** - Multiple manual entries of data mean more chances for mistakes. Having a single source of truth allows one-input updates, thus reducing the chances of making a troublesome mistake.
- ✓ **Reduces Cost** - Besides potentially reducing resource costs related to fixing administrative errors, integrating payroll and benefits may help you avoid unnecessary premium payments due to a lag in coverage cancellation when employees leave.
- ✓ **Reporting & Compliance** - Having a single source of truth simplifies reporting and complying with relevant information requests from government agencies. It also enables benefit administrators to establish rules around auto-enrolling, tax percentages, dependents and tiers of benefits.
- ✓ **Employee Experience** - Employee self-service can become more effective. Employees can log into the system and quickly see their status and options, which can make it easier for them to make decisions about their benefits.

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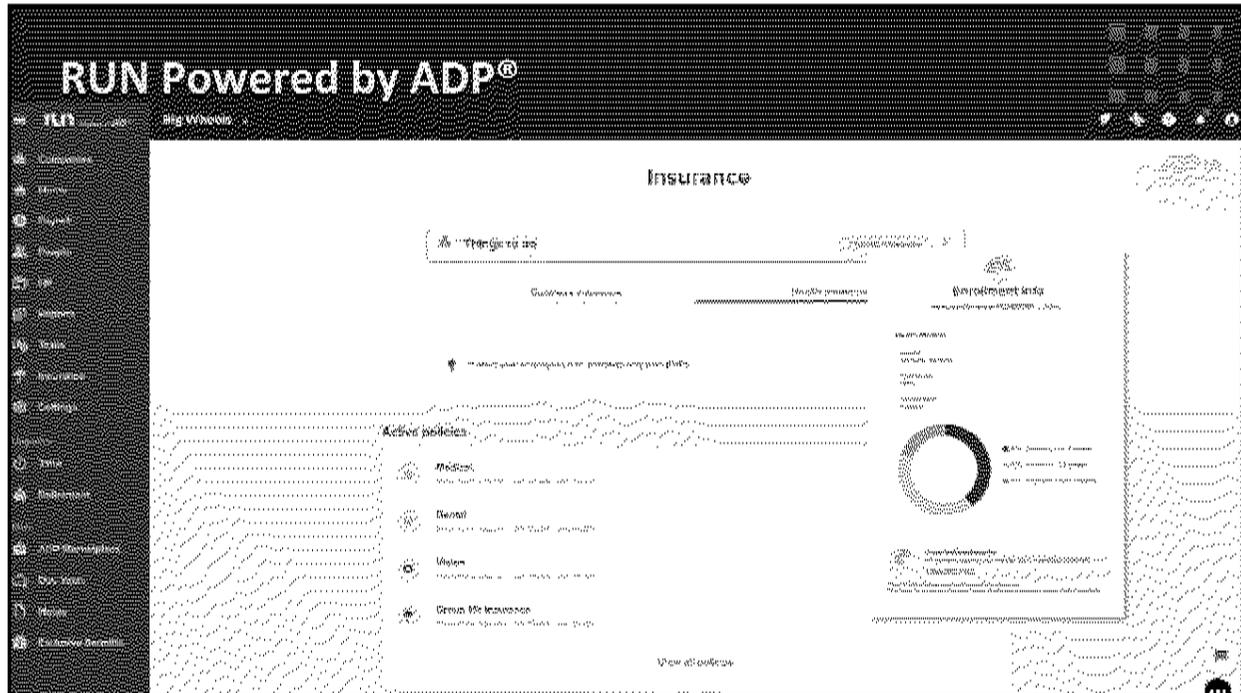
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Online Management Portals

What Questions Should You Be Asking Your Clients:

1. Are you taking full advantage of all available tax deductions for qualified health plans?
2. Do you know about benefits administration solutions that can provide your employees with the ability to evaluate plans and enroll online?
3. When did you last review your health plan?

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Accountant Connect

The gateway to success for your firm and your clients

is a cloud-based, mobile-friendly portal that connects you to your ADP small-to-midsized clients.

- Streamline your clients' payroll and benefits offerings
- Specialized help desk for accounting professionals

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Accountant Connect

Advisory Opportunities

Accountants can now quickly determine if their clients have additional ADP and ADPIA offerings including workers' compensation and group health insurance.



Opportunities For Your Review

We closely monitor your clients' data and compliance requirements for small business. Use our recommendations below to advise your clients on ways they can reduce risk, find opportunities for growth, and stay compliant.

Features By Industry

- Employees

Features by State: has an average employee age of 32 and annual income of \$80K and does not currently have a group health policy. The data shows that the company is not currently in compliance with the ACA. ADPIA offers a group health policy for the company. ADPIA offers a group health policy for the company.

Refer to ADP | Share with my client | Display

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Review Question 3

Which of the following is an advantage of an HRM-driven Model for employers?

- None
- Comprehensive coverage
- Savings
- Portability

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Conclusion:
There is an opportunity to expand your practice, be more consultative and strategically assist your clients.



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Final Exam

Welcome to the ADP - Group Health Insurance Strategy - An Overview for CPAs Final Exam

Click the "Start Exam" button to proceed.

Passing score is 70%.

Good Luck!

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