



SOLUTION FOCUS

Benefit: QSEHRA
Industry: Veterinary
Region/State:
New Hampshire
Number of employees: 6

SUMMARY OF BENEFITS

- Saved a projected \$6,196.80 in taxes per year over taxable stipends
- Administered the benefit in only 10 minutes per month
- Hired 50% new staff by offering a QSEHRA

"I don't have to keep any paperwork. I don't have to file any receipts. I receive an email saying something is due, and I reimburse it. That's it. It's so easy! It's been fantastic."

Sarah Burke
Project Manager

True North Veterinary Hospital uses a PeopleKeep QSEHRA to help recruit employees and save more than \$6k in taxes per year

With group insurance too expensive, this veterinary hospital chose a QSEHRA benefit that is both affordable for the business and helpful to the diverse needs of its employees.

The Challenge

True North Practice Manager Sarah Burke and the business's owner wanted to provide a health benefit that could help existing employees and assist with growing their staff. Taxable stipends weren't a good fit and group insurance was too expensive for the business and their employees.

The Solution

After a detailed search, Sarah came across PeopleKeep. She learned that a PeopleKeep QSEHRA would allow the practice to set its own costs and offer a solution that would meet the needs of employees in different insurance coverage situations.

The Results

With the incentive of a QSEHRA benefit, True North saw a 50% increase in their staff. The hiring was made possible by saving over \$6k in taxes per year which was more than they would have saved with stipends. Sarah also liked how quick and easy it was to process reimbursements and manage the benefit, only needing 10 minutes a month.

The Challenge

When looking into the available options, Sarah ran into the same problems that many new and small businesses face. For one, group health insurance was far too expensive for their budget. According to Sarah, “Even with us spending a ridiculous amount of money, it was still super costly [for the employees] to be on the plans.”

But Sarah knew they had to offer something. After salary, health benefits are the top consideration for applicants when evaluating a job offer. If she wanted to meet her goals of hiring more staff, she needed to find an affordable alternative to group health insurance that employees would love and could be a huge selling point in the hiring process.

At first, Sarah had the idea to give employees a stipend. It was the easiest option to administer and would help out the staff with their healthcare expenses. But the more she looked into it, the less appealing the stipends became. While simple to administer, a stipend is often viewed as additional income—more like a raise than a health benefit. And since the stipend would be added to employees’ income, that meant they’d be taxed on it, too.

“It’s hard as a person looking for a job to accept a job that doesn’t have health insurance. Having that ability to say that ‘I don’t offer insurance, but I do offer this allowance that you can see to help pay for your monthly insurance’ premium is extremely helpful.”

The Solution

“There’s no legal way to give associates money to put towards health care costs without it counting as income. As a practice manager, I couldn’t just add it into their paycheck without it counting as income.”

After additional research, Sarah learned about PeopleKeep’s QSEHRA, which would allow the business to reimburse employees for premiums and qualified out-of-pocket healthcare expenses. With a QSEHRA, True North could offer a formal health benefit with all the tax benefits of a group health insurance plan without any of the administrative hassle. And since this money wouldn’t be tied to wages, employees would see it as an actual benefit instead of a salary increase.

Partnering with PeopleKeep was an easy decision: Sarah could outsource the hard stuff like documentation review and legal document generation, and she knew that the staff would be taken care of by PeopleKeep’s award-winning customer service team if they needed any help.

The Results

By offering a tax-free allowance through a QSEHRA with PeopleKeep, True North's employees who had never had insurance were finally able to purchase coverage. Employees who needed help used PeopleKeep's health insurance concierge service to speak with licensed health insurance advisors who helped them purchase their own plans. Sarah said the employees are now empowered to go to the doctor when they need to and take better care of themselves because they know they can rely on their HRA to defray the cost.

Sugar Plum was also able to save over \$6k in taxes per year with the new benefit, plus all the time she saves by using PeopleKeep to help administer the QSEHRA. It takes her only 10 minutes per month to approve reimbursements, add them to payroll, and make any necessary employee updates. Since offering a QSEHRA and touting the benefit in their hiring process, True North's staff has expanded by 50%. But the benefits extend past just hiring new employees. Offering a meaningful health benefit has also helped with their employee retention efforts.

"Since we got PeopleKeep, we have hired about 50 percent of the people that we have, and it's really helpful having it available."

About the Company

True North Veterinary Hospital opened in December 2015 with a mission to serve small animals and their owners in the greater Mt. Washington Valley of New Hampshire. The hospital is in a rural area and is essential to the community. With one full-time doctor and a full-time staff of six, the business has its hands full providing excellent care to local animals.