



MHM Resources LLC
Your Total Flexible Benefits Solution

IMPORTANT UPDATE

Connecticut's Cafeteria Plan Mandate

Effective October 1, 2007, the Connecticut Senate Bill No. 1484 under Public Act 07-185 Sec. 23. (NEW) requires any employer that provides health insurance benefits to its employees for which any portion of the premiums are deducted from the employees' pay shall offer such employees the opportunity to have such portion excluded from their gross income for state or federal income tax purposes, except as required under Section 125 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended. The Cafeteria plan must satisfy both:

1. Section 125 of the Internal Revenue Code
2. Regulations established by the Connecticut Senate and House
www.cga.ct.gov/2007/ACT/PA/2007PA-00185-R00SB-01484-PA.htm

With the deadline fast approaching, it is imperative that employers and their agents verify the accuracy of their cafeteria plan document.

- ✓ A Section 125 Plan, must be, at minimum, a premium only plan offering access to one or more health coverage options in lieu of regular cash compensation
- ✓ Description of the benefits that may be elected
- ✓ Eligibility rules
- ✓ Method, timing and irrevocability of participant elections
- ✓ Manner of any employer contribution
- ✓ Plan Year

It is essential that the verbiage within the documents specify that the Plan is construed, enforced, and administered according to the laws of the State of Connecticut.

MHM's Section 125 Premium Only Plan meets the accuracy requirements necessary under the new Connecticut Public and Special Acts.

AGENT CERTIFICATION

Through MHM's agent certification program, we will provide you with the legal, marketing, and technical support needed to serve your clients. Our certification program also provides assistance on earning additional commission dollars when you sign up your clients through MHM's Section 125 program.

To learn more about Section 125, and to apply for certification to become an MHM marketer, [click here](#), or go to mhmresources.com and click on the "Agents & Brokers" tab.

As a leader in Third Party Administration, MHM Resources is dedicated to empowering your clients and their employees to get the most from their benefits programs.