



Employee Benefits Administrator, Medcom, Launches Premier MERP Plan to Fill Executive Compensation Gap Left by Health Care Reform Bill

The recent Health Care Reform bill will effectively eliminate a popular tax advantaged medical expense reimbursement plan for executives -- the fully insured MERP.

Jacksonville, FL ([PRWEB](#)) December 28, 2010 -- Medcom (www.emedcom.net), one of the leading administrators of tax advantaged [employee benefits](#) programs and ERISA regulatory compliance services, announced today the launching of Premier MERP, a competitive executive compensation solution for employers who lose the ability to offer a popular executive benefit plan known as a fully insured Medical Expense Reimbursement Plan (MERP) as a result of the recently passed [Health Care Reform bill](#) (Patient Protection and Affordable Health Act- PPACA HR 3590).

Fully insured MERP's have traditionally offered employers an opportunity to provide a rich supplemental medical expense reimbursement plan for their executives and key employees, while maintaining full tax deductible status for the company and tax free status for the employee. As a result of PPACA, employers who renew their medical care coverage as of September 23, 2010 and later and are not eligible for "grandfathered plan" status will be required to discontinue these programs. Some of the insurance carriers in this market have already started cancelling their MERP policyholders as the market for these plans begins to shrink. By 2014, the market for fully insured MERP's will no longer exist as a result of PPACA.

"Historically, employers could pick and choose which employees were eligible to participate in fully insured MERP plans," said Joseph Godwin, a benefits consultant with F & H Solutions Group in Asheville, North Carolina. "That option has been going away with the Health Care Reform bill. Since most of these plans include maximum benefit limits that will no longer be permissible as of January 1, 2014, employers need to find other creative solutions for providing supplemental medical expense reimbursement employee benefits for their executives and key personnel. Employers with plans losing grandfathered status before January 1, 2014 will need to start looking for alternatives right away."

Medcom's Premier MERP enables employers to continue offering a comprehensive MERP on a self funded basis, although without the benefit of the tax break for the employee. Some employers may elect to 'gross up' the pay of their employees to cover any applicable taxes on the value of the benefit. The program may be customized to meet the specific needs of any employer and provides an attractive debit card feature for participating employees' convenience in accessing their reimbursement benefit. "Maximizing the value of the tax code is a laudable goal in compensating top talent. However, most employers are reluctant to eliminate these types of employee benefits, even if delivered to their most valuable personnel on an after-tax basis. Medcom is committed to providing a competitive solution for employers with fully insured MERPs in place and other 'preferred' benefits for executives that must be eliminated in their current form due to the Health Care Reform bill. We have a full menu of strategies to assist employers with refocusing the structure of their executive compensation program," stated Michael J. Bracken, President of Medcom.

"Finding a reliable and creative partner like Medcom is critical in our business of advising employers about the employee benefits arena," stated Raymer M. Sale, Jr., an employee benefit consultant with E2E Benefits Services, Inc. in Atlanta. "We choose to work with Medcom and this important new Premier MERP product because of their commitment and responsiveness in meeting the needs of our clients. The people in the corner office will definitely prefer an attractive after-tax benefit than no benefit at all."



About Medcom

Medcom is a leading employee benefits administrator, well-known for providing exceptional service offering a variety of products designed to help employers meet the challenges of a rapidly changing workforce. With a professional staff of specialists, Medcom offers consulting and administration services relating to ERISA compliance, COBRA, Flexible Spending Accounts, Health Reimbursement Arrangements and Health Savings Accounts.

Founded in 1983, Medcom has grown and changed with the economy and the workforce. Medcom administers a variety of tax advantaged benefit plans using sophisticated debit card technology to meet the convenience needs of Plan participants and the administrative goals of the employer. For more information, please visit www.emedcom.net.

Contact:

Michael J. Bracken
(904) 596-2239
sales(at)emedcom(dot)net

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Contact Information

Michael Bracken

Medcom

<http://www.emedcom.net>

904-596-2239

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