



Hibbs ♦ Hallmark & Company



Protect Your Business:

"Section 105 Qualified Sick Leave Plan"

Section 105

Have you ever continued to pay an employee who was hurt or sick out of the goodness or your heart?

Do you have employees that are valuable to you personally and your business? Would you continue to be paid if something unexpected happened?

How long would you continue to pay a valuable employee while they were out?
A week? A month? A year? Would you want to make the decision on when to stop paying that employee?

Have you ever had an employee that was healthy on Friday, but on Monday morning, had a back injury and tried to file on your Workers Compensation?

Do you have a Section 105 qualified sick leave plan in place?

Are you aware that payments made to employees without a qualified 105 plan in place are considered Ad Hoc payments? An Ad Hoc payment is a payment that is not considered a qualified business expense and therefore is not a deduction.

Even if you have a written plan, there are things to consider.

Consideration	Self-Funded Plan	Insured Plan
ERISA Requirements	Plan document and description of employee benefits	Insurance policy and plan document
Claims Determination	You must decide if a covered employee is disabled	Insurance company determines disability
Final Benefit Payment	You must determine whether the employee has recovered	Insurance company makes the determination
Cost/Timing	You pay large benefit checks at the worst possible time - when a valuable employee is not working	You make small premium payments when everyone is working
Liability	You retain all of the liability for payments	The insurance company assumes the liability

In challenging economic times, Hibbs Hallmark has the ability to help solve potential problems before they occur. We can create a plan that helps: solve your sick pay situation, prevents those Monday morning accidents, lower your Worker's Compensation costs. We can show you how a sick or injured employee can leave your payroll and you still have peace of mind.

For a free professional evaluation of your benefits, please contact **Charles Parker** at **903-266-5615** or toll free **800-765-6767**.

Sincerely,
CHARLES PARKER
Worksite Employee Benefits
Hibbs-Hallmark & Company