

VCAMP

Validated Care Ancillary Management Program

V - Validated

Designed to align with IRS guidelines and employer benefits strategies, supporting both voluntary and group-sponsored offerings.

C - Care

Delivering enhanced wellness, preventive, medical and ancillary benefits that support your employees' total well-being.

A - Ancillary

Includes medical, dental, vision, wellness and other supplemental health.

M - Management

Streamlined administration of payroll deductions and substantiated post-tax reimbursement under a compliant plan structure.

P - Program

Structured to integrate Section 125 tax savings with substantiated employee benefits in accordance with IRC 213(d).



VCAMP

Designed to support compliant, substantiated employee benefit programs by helping optimize payroll tax efficiencies.

VCAMP is a Section 125-based strategy designed to align with IRS guidelines. It enables employers to redirect payroll tax savings toward employee benefit programs, with the goal of preserving take-home pay. When properly implemented and substantiated, this approach may help reduce FICA liability and provide employee with a tax-efficient way to access eligible benefits.

How VCAMP & Section 125 Transform Your Payroll: A Side-by-Side Comparison



SECTION 125/VCAMP Side by Side Comparisons

Semi Monthly Payroll Sample	Current Payroll	Payroll with VCAMP
Annual Salary	\$60,000.00	\$60,000.00
Gross Semi-Monthly Wages	\$2,500.00	\$2,500.00

SECTION 125 Payroll Pre-Deductions

	Payroll Deduction	WIMPER Deduction
Medical	\$200.00	\$200.00
401K	\$150.00	\$150.00
WIMPER (Pre-Deduction)		\$850.00
Taxable Income	\$2,150.00	\$1,300.00
State Income Tax CA	\$27.28	\$0.00
California SDI Tax	\$27.60	\$17.40
Federal Tax	\$173.06	\$71.06
Medicare Tax	\$33.35	\$21.03
Social Security Tax	\$142.60	\$89.90
Taxes	\$403.89	\$199.39
VCAMP Payroll Tax Savings		\$204.50
PayCheck	\$1,746.11	\$896.11

SECTION 125 Post Tax Reimbursement SIMERP

SIMERP (Post Tax Reimbursement)	\$850.00
Take Home Pay	\$1,746.11

VCAMP Section 125 Payroll Tax Savings

	Employee	Employer FICA Tax Savings
Semi Monthly Tax Savings	\$204.50	\$65.02
Monthly Tax Savings	\$409.00	\$130.04
Annual Savings Per Employee	\$4,908.00	\$1,560.48

Savings is based on single employee

This Number is Based on \$60,000 Annual Income Per Employee

Tax savings will vary. VCAMP requires proper documentation and IRS compliant implementation to ensure eligibility and reimbursement.

The 3-Step Process

Section 125 integrated solution WIMPER/VCAMP/SIMERP

Step #1 WIMPER

(Wellness Integrated Medical Plan Expense Reimbursement)

- Utilizes pre-tax payroll deductions under a Section 125 cafeteria plan to reduce employees taxable income.
- Tax savings may be used to support employee participation in the VCAMP benefits structure, subject to proper documentation and substantiation.

Step #2 VCAMP

(Validated Care Ancillary Management Program)

- Captures and manages employee's payroll tax savings generated through WIMPER.
- Coordinates reimbursements for substantiated IRC 213(d) medical expenses, as outlined in the summary of benefits.

Step #3 SIMERP

(Self-Insured Medical Expense Reimbursement Program)

- Provide post-tax, dollar-for-dollar reimbursements for substantiated eligible medical expenses.
- Helps preserve employees' net take-home pay by reimbursing qualified expenses without requiring individual claims, using plan-level substantiation.

MoTek Payroll Support

- Our specialists assist in setting up the necessary payroll tax codes for accurate implementation.
- We provide before-and-after payroll illustrations to demonstrate savings and ensure to compliance with IRS guidelines.
- MoTek acts as an independent third-party administrator and does not serve as a fiduciary or plan sponsor.



(877) 877-7222

BOOK NOW
www.motekinsurance.net

MoTek
INSURANCE AGENCY



VCAMP Program Overview

- VCAMP combines two core components:
 - WIMPER (Wellness Integrated Medical Plan Expense Reimbursement Program): Utilizes pre-tax payroll deductions under a Section 125 cafeteria plan.
 - SIMERP (Self-Insured Medical Expense Reimbursement Program): Provides post-tax, dollar-for-dollar reimbursements for substantiated eligible medical expenses, as outlined in the summary of benefits in accordance with IRC 213(d).
- Help preserve employee take-home pay by reducing taxable income and providing reimbursements for eligible medical expenses substantiated in accordance with IRC 213(d).
- Individual claims are not required when plan-level substantiation protocols are used, with documentation maintained to support participation in qualified medical services under IRC 105(b) and 213(d)..
- Designed to comply with IRS regulations by ensuring reimbursements are not fixed dollar amounts and are tied to substantiated 213(d) medical expenses, thereby avoiding classifications as a fixed indemnity plan.
- Seamlessly integrates with an ACA-compliant Minimum Essential Coverage (MEC) plan.

How SIMERP Post-Tax Reimbursement Works

- SIMERP reimburses employees for eligible medical expenses on a post-tax basis under a formal Section 105 plan.
- Only reimburses qualified medical care as defined under IRC 213(d).
- Reimbursement may be excluded from gross income under IRC 105(h), provided they meet IRS substantiated and eligibility requirements.

How SIMERP Post-Tax Reimbursement Works

- Structured to meet the requirements of a self-insured medical reimbursement plan under Section 105, subject to proper documentation and substantiation.
- Designed to align with IRC 105(b), 106(a), 125, and 213(d) with reimbursements contingent on substantiated participation in qualified medical services.
- Structured to avoid classification as a fixed indemnity plan by ensuring reimbursements are not fixed dollar amounts and are tied to substantiated IRC 213(d) medical expenses.
- Streamlines reimbursements through plan-level substantiated protocols based on the summary of benefits. Individual claims are not required, but documentation must support participation in qualified medical services under IRC 213(d).

Plan Structure and Documentation

- Section 105 plan document outlining eligibility, reimbursable expenses, reimbursement & procedures and substantiation requirements.
- Summary of Benefits defines specific, eligible medical services under IRC 213(d), with annual reimbursement limits.
- Payroll deduction records and plan-level documentation are maintained to substantiate participation in qualifying services.
- Undergoes annual non-discrimination testing in accordance with IRS & IRC requirements.
- MoTek provides independent administrative support and does not act on behalf of the employer in a fiduciary capacity.

ERISA and HIPAA Considerations

- VCAMP is designed to comply with ERISA standards where applicable. Employers should consult legal counsel to determine whether their implementation of VCAMP constitutes an ERISA-covered plan.
- Employers are responsible for ensuring HIPAA compliance, including safeguarding protected health information (PHI), based on their plan's structure and administration.



(877) 877-7222

BOOK NOW
www.motekinsurance.net

MoTek
INSURANCE AGENCY