

Tax Advantages of Employee Wellness Programs

Companies with wellness programs may deduct the cost of such programs, including the cost of incentives, as ordinary and necessary business expenses under IRS Section 162.

Employers have it pretty good already since this deduction is *in addition to* the average \$3:1 return on investment for wellness programs.

On another front, employers have a lot to gain if the final version of the Health Care Reform Bill retains language that allows for tax incentives for the implementation of wellness programs. If passed, the legislation would allow a tax



credit for 50 percent of the costs paid by an employer for providing a "qualified wellness program" during a taxable year. The amount of the credit would be limited to \$200 per employee up to 200 employees, plus \$100 for each additional employee thereafter, and are likely to be retroactive.

Whether you need on-site training to set up your own wellness program or a wellness management company to integrate your available resources into a comprehensive, durable program, we can help. Contact us to get started by calling 1(877) 538-5797!