

## Most Companies Are Leaving Payroll-Tax Savings on the Table Quietly and Unnecessarily

Rising labor costs, benefit inflation, compliance creep, and retention pressure are eroding margins across the mid-market. Leaders are being forced into trade-offs they don't want to make.

**Yet there's one cost center almost everyone overlooks: FICA.**

Based on industry audits, the vast majority of U.S. employers are paying more than required — not because of an error, but because they haven't explored a compliant, IRS-recognized structure that's been hiding in plain sight.



### The Blind Spot: Payroll Taxes That Don't Need to Be Paid

Employers pay 7.65% in FICA on every W-2 employee dollar. With a 20, 50, 500, or 5,000 person workforce, that number compounds fast.

What most finance and HR teams don't realize is that there is a cost-neutral, IRS-aligned pathway to materially reduce that obligation — while simultaneously upgrading the employee experience.

This isn't a gimmick or a loophole. It's a compliant structure grounded in Sections 105 and 106 of the tax code that organizations in manufacturing, logistics, healthcare, and services have been deploying for years.

### How the Essentials Health Plan Unlocks the Value

The Essentials Health Plan (EHP) layers a compliant wellness framework alongside existing benefits — no plan replacement, no coverage disruption.



**Employers see:**

- Immediate, recurring payroll-tax savings
- No reduction in pay, no impact on core benefits
- Seamless integration with existing payroll workflows

**Employees receive tax-free enhancements such as:**

- Discounted or zero-cost prescriptions through an integrated pharmacy solution
- On-demand virtual urgent care and mental-health access
- Preventive care and chronic-care resources
- Dental, vision, and optional life-insurance benefits

All at no additional cost to the company and with no reduction to the employee's take-home pay.

**Outcomes That Move the Needle**

Organizations adopting this structure consistently report:

- **Lower workers' comp premiums** (often 18–30% depending on the state)
- Reduced absenteeism and stronger engagement
- Higher retention due to a richer benefit offering
- Predictable, recurring payroll-tax savings — month after month

Implementation is streamlined, white-glove, and requires zero change to existing brokers, carriers, or plans.

**Who Sees the Most Benefit?**

This structure aligns best with employers who:

- Have 20+ W-2 employees
- Employ team members earning \$25K+ annually
- Want to reduce cost friction without cutting value or increasing overhead
- Are focused on margin protection in a tightening labor-benefits environment

**Bottom Line: A Hidden Opportunity Hiding in Plain Sight**

When every basis point counts, ignoring a payroll-tax optimization strategy that strengthens employee support while cutting hidden costs all while not disrupting operations is no longer defensible.

If most companies are overspending on FICA, the only real question is whether you want to be the exception.

If it's worth a closer look, I can walk you through how EHP is delivering ~\$640 per employee in annual employer savings — without disruption, without new spend, and without changing your existing coverage.

**ROI is immediate in the first month.**