

News

PLANADVISER and PLANSPONSOR Cite Groom Publication on Wellness Indemnity Payments

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Groom's [summary](#) of the Internal Revenue Service's ("IRS") Chief Counsel Advice 202323006 (the "CCA"), which addressed the tax treatments of wellness indemnity payments made by employer-funded fixed indemnity insurance policies, was quoted in *PLANADVISER*'s article, "Employees Can't Deduct Wellness Indemnity Plans From Their Taxes, IRS Says," and in *PLANSPONSOR*'s article, "IRS Says Reimbursed Wellness Benefits are Taxable."

Both articles recapped the portion of Groom's publication that stated, "if an employee receives a wellness indemnity payment under a fixed indemnity health insurance policy and the employee paid the premiums by a pre-tax salary reduction through a cafeteria plan, the payment will be included in the employee's gross income as wages subject to FICA, FUTA, and Federal income tax withholding to the extent the employee does not have any unreimbursed out-of-pocket medical expenses related to the payment."

To read the *PLANADVISER* article, [click here](#).

To read the *PLANSPONSOR* article, [click here](#).