

# EHP Inc. and Mardy Gould Release AI-Powered Report Revealing Top 5 Employer Wellness Plan Compliance Failures

*EHP uses AI to uncover the top five compliance errors in employer wellness plans—errors that could trigger audits or eliminate tax savings if left uncorrected.*

JACKSONVILLE, FL, UNITED STATES, July 19, 2025 /EINPresswire.com/ -- [EHP Inc., The Employer's Choice](#) for IRS-compliant, tax-optimized benefit design, has published a first-of-its-kind report exposing the five most common—and costly—errors employers make when implementing

pre-tax wellness benefit programs. Built from anonymized data across EHP's client base and processed through its proprietary AI-driven compliance engine, the report delivers actionable insight for employers, brokers, and HR professionals operating under Sections 125, 106(a), and 213(d) of the Internal Revenue Code.

“

You can't afford to fly blind. Our AI caught the exact compliance gaps the IRS looks for. Fixing them now protects your bottom line—and your audit file.”

*Mardy Gould*

The report, spearheaded by Managing Partner Mardy Gould, combines real-world error patterns with technical recommendations—helping employers proactively fix weaknesses that could otherwise trigger IRS scrutiny, plan disqualification, or financial penalties.

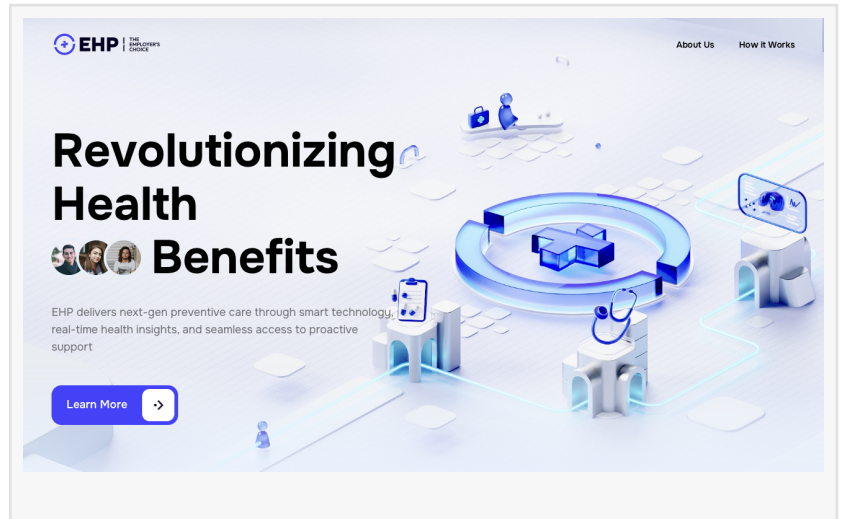
“This isn't theoretical,” said Mardy Gould. “These are the actual mistakes that are costing employers tax savings,

triggering audit risk, or undermining the entire benefit. And we're showing them how to fix every one.”

## □ The Top 5 Employer Mistakes in Pre-Tax Wellness Plan Execution

### 1. No Substantiation Trail for Wellness Activity

The Problem:



IRS guidelines under Section 125 and 213(d) require employers to demonstrate that wellness reimbursements or pre-tax benefits are tied to actual activity. Many plans fall apart here.

**Common Error:**

Employers rely on passive opt-ins or self-reporting—no time-stamped proof, no tracking, and no way to verify participation.

**Risk:**

Benefits disallowed under audit, retroactive tax and FICA repayment, plus penalties under Publication 15-B enforcement.

**EHP Fix:**

AI-powered tracking captures digital participation in real time. Substantiation logs are auto-stored and accessible 24/7 for audit readiness.



## 2. Circular Flow in Payroll Deductions

**The Problem:**

Constructive receipt rules prohibit employers from deducting and reimbursing the same funds in a way that resembles disguised compensation.

**Common Error:**

Employers create circular flows—deducting pre-tax dollars then “reimbursing” them post-tax with no structured plan, violating IRS treatment under 106(a).

**Risk:**

Entire plan disqualified. Exposure to IRS audit, reclassification of funds, and multi-year tax recalculation.

**EHP Fix:**

Deduction logic and flow rules are built directly into payroll setup. AI monitors and flags noncompliant deduction/reimbursement sequences in real time.

## 3. Incomplete or Outdated Plan Documentation

**The Problem:**

IRS scrutiny doesn’t just look at function—it reviews structure. Plan documents missing legal

language, TPA roles, or activity definitions won't survive an audit.

**Common Error:**

Employers use boilerplate templates that lack proper reference to IRS code, activity tracking requirements, or administration mechanics.

**Risk:**

Immediate disqualification of plan in any compliance event. DOL and IRS penalties for benefit misclassification.

**EHP Fix:**

Each client receives a customized, IRS-aligned plan document package with matching deduction logic, activity definitions, and audit protocols.

#### 4. Employee Confusion and Opt-Out Trends

**The Problem:**

Even well-structured plans fail when employees don't understand them. Miscommunication leads to opt-outs, complaints, or nonparticipation that invalidates the plan's tax status.

**Common Error:**

HR teams send vague enrollment emails or fail to explain how the benefit works, leading to low uptake or resistance.

**Risk:**

Low engagement means low substantiation. Opt-outs weaken the plan's value and raise red flags during random IRS plan audits.

**EHP Fix:**

EHP deploys automated education workflows: interactive explainers, acknowledgement steps, and behavior-driven reminders that reinforce compliance and boost participation.

#### 5. Missing Centralized Audit Documentation

**The Problem:**

When an auditor requests substantiation, deduction history, or communication logs, most employers scramble to compile fragmented records.

**Common Error:**

Data is scattered across HR, payroll, and benefits platforms—often with missing timestamps or unverified logs.

**Risk:**

Lack of documentation is grounds for plan disqualification. Employers may face retroactive liability for all affected employees.

## EHP Fix:

The Smart Audit Log auto-generates a single compliance binder containing deduction files, employee activity history, legal plan docs, and every notification—ready on demand.

### □ Why This Matters Now

As the IRS increases scrutiny of pre-tax and fringe benefit plans, employers must prove compliance with not just intent, but execution. According to IRS Publication 15-B and Publication 969, employers offering pre-tax wellness benefits must maintain proper substantiation, flow of funds, and legal documentation—or risk disqualification of the entire benefit.

EHP Inc.'s internal platform continuously scans for risks, providing real-time visibility into where employers stand on compliance. On average, employers using EHP Inc.'s AI tools experience:

85%+ participation substantiation rates

Zero audit flags for deduction logic errors

\$650+ in annual FICA savings per employee<sup>1</sup>

“If you’re not proactively monitoring these five things, your plan may already be out of bounds,” said Gould. “Our goal is to stop tax savings from becoming future liabilities.”

### □ What’s Next: Fix-It Series, Toolkits, and Live Compliance Support

To accompany the report, EHP Inc. is launching a national webinar series titled “Fix It Before You Get Audited” starting August 2025. Attendees will receive:

A full PDF download of the AI-powered risk report

The official Wellness Plan Compliance Playbook

A 20-point audit readiness checklist

Payroll structuring examples and compliance memo templates

Access to EHP’s Smart Audit Log onboarding module

The report and registration are available now at [www.getehp.com](http://www.getehp.com).

### About Mardy Gould and EHP Inc.

Mardy Gould is the Managing Partner of EHP Inc., a compliance-first benefits firm that helps employers lower payroll tax liability through IRS-structured, audit-ready wellness benefit platforms. With a national client base, proprietary AI tools, and deep alignment to IRS code, EHP

Inc. delivers what most benefit consultants can't: legally defensible, operationally scalable, and financially strategic benefit plans.

EHP Inc. serves employers across sectors including logistics, health care, nonprofits, franchising, and education—with rapid expansion into public-sector organizations in 2025.

To download the full report or register for the Fix-It Webinar Series, visit [www.getehp.com](http://www.getehp.com) or email [media@getehp.com](mailto:media@getehp.com).

Media Support

EHP "The Employer's Choice"

[email us here](#)

Visit us on social media:

[LinkedIn](#)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/832196621>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2025 Newsmatics Inc. All Right Reserved.