



The Cost of Managing Wellness Reimbursements In-House

Why manual reimbursement programs often cost more (and create more complexity) than they appear

A wellness reimbursement program can seem simple at first.

Employees submit expenses, someone reviews them, and the company pays them back.

But the true cost of managing reimbursements is not just the reimbursement budget itself.

It also includes the internal time required to administer the program, the experience employees have when requesting reimbursement, the consistency of the process, the information employees may need to share, and the operational risk of relying on internal teams to keep everything running.

For some small employers with simple programs and low participation, managing reimbursements internally may make sense.

As programs grow, however, the question becomes more complicated:

Is managing reimbursements internally still the best use of your team's time, and is the organization equipped to provide the experience, consistency, privacy, and scalability employees expect?



WHAT WE'LL EXAMINE

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05 What internal time actually costs

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The Hidden Work Behind “We’ll Manage It Ourselves”

When employers compare IncentFit to an in-house reimbursement program, the platform cost is easy to see. The internal workload is harder to see because it is often absorbed across HR, benefits, payroll, finance, and employee support.

A manual reimbursement program may require teams to manage:



Program & People

- Employee eligibility and terminations
- Reimbursement policies and eligible expenses
- Employee questions and status updates



Submissions & Review

- Receipt collection and documentation review
- Approval workflows
- Exceptions, rejected submissions, and corrections



Payouts & Records

- Balance tracking
- Payroll or payment coordination
- Reporting for leadership
- Reconciliation and recordkeeping

Even if no one is hired specifically to manage the program, someone is still responsible for completing each of these tasks.

That means the real comparison isn't IncentFit versus doing nothing.

It is an automated reimbursement program versus the time, infrastructure, processes, and employee experience required to administer the program internally.

Manual Administration Pulls Time From Multiple Teams

One of the reasons manual reimbursement programs are easy to underestimate is that the work is often split across departments. HR or benefits may manage program rules and eligibility. Payroll may handle payment files. Finance may review spend. Managers or admins may answer employee questions. Someone still has to track balances, follow up on missing information, and report on usage.

That distributed workload can create hidden costs.

	HR / Benefits	Program rules, eligibility, employee questions, approvals, exceptions
	Payroll	Payment coordination, payroll files, manual uploads, corrections
	Finance	Budget tracking, reconciliation, spend visibility
	Managers / Admins	Employee follow-up, policy questions, participation support
	Employees	Submissions, documentation, reimbursement status checks, resubmissions

When those responsibilities are spread across multiple teams, reimbursement administration may never appear as a dedicated line item. But the work still has to happen. And as participation increases, so does the volume of submissions, questions, documentation reviews, exceptions, payments, and reporting.

			A process that feels manageable for 50 employees may look very different for 500 or 5,000 employees.
50	500	5,000	

What Internal Time Actually Costs

A benefits specialist typically costs \$65K–\$77K in base salary alone, depending on title, responsibilities, and market.

A benefits-focused employee represents far more than base salary alone once benefits and other employer compensation costs are considered. According to the U.S. Bureau of Labor Statistics, wages and salaries accounted for 70.1% of total compensation costs for private industry workers, with benefits making up the remaining share.

Using that compensation ratio, a benefits-focused role can represent approximately:

ROLE	BASE SALARY BENCHMARK	APPROX. FULLY LOADED EMPLOYER COST
Benefits Specialist	\$65,217	\$93,000
Compensation/Benefits Specialist	\$77,020	\$109,900

This does not mean a reimbursement program requires a full-time employee. But it does show that internal administrative time has a real dollar value.

Using an estimated fully loaded labor rate of \$45/hour, recurring reimbursement administration can represent:

5 HRS / MONTH 60 hours / year \$2,700 per year	10 HRS / MONTH 120 hours / year \$5,400 per year	20 HRS / MONTH 240 hours / year \$10,800 per year	40 HRS / MONTH 480 hours / year \$21,600 per year
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Estimated value of internal time at a fully loaded labor rate of \$45/hour. Continued on the next page.

Recovered Time Is Capacity, Not Automatically Cash

But there is an important distinction:

Recovered time is not automatically cash savings.

If employees remain on payroll after administration is automated, the organization has not necessarily reduced its expenses by the full value of those hours. Instead, **automation creates increased capacity.**

That capacity becomes financially meaningful when it helps an employer:



Avoid or delay an additional hire



Absorb program growth without adding headcount



Reduce overtime or outside administrative support



Redirect employees toward higher-value responsibilities



Eliminate repetitive work that is preventing other priorities from being completed

For a very small organization with a simple reimbursement program and available internal capacity, running the program internally may therefore be financially reasonable.

As administrative complexity and participation grow, the equation begins to change.

The Cost Employees Feel

The internal labor calculation is only part of the story. Employees experience the reimbursement process too. In a manual program, an employee may need to submit a receipt through email or a form, wait for someone internally to review it, answer questions about documentation, correct a submission, wait for approval, and then wait again for payment.

A MANUAL PROGRAM

Submit

Wait

Question or documentation request

Correct and resubmit

Wait

Approval

Payment

A CENTRALIZED PLATFORM

One place to submit expenses

Clear program rules

Consistent documentation

Visibility into reimbursement status

Dedicated support for questions

A standardized review process

A repeatable experience

When that process is slow or inconsistent, the employee does not experience it as an administrative workflow. They experience it as their benefits program.

A delayed reimbursement can feel like the company is slow to deliver a promised benefit. An unclear rejection can feel like an unnecessary roadblock. Different answers from different administrators can make employees question whether the program is being applied fairly. Even when the employer has good intentions, administrative friction can undermine the value of the benefit itself.



The goal is not only to process reimbursements faster.

It is to make the benefit feel like a benefit.

Some Reimbursement Requests Reveal More Than an Expense Amount

Consider what may appear on a reimbursement receipt:



The name of a specialized fitness facility



A program focused on pregnancy or postpartum fitness



Weight-management services



Mental wellness services



Condition-specific programs



Other purchases that may indirectly reveal personal health information

Employees may be uncomfortable sending that information directly to someone they work with. Depending on how a wellness program is structured, health information may also introduce additional privacy, compliance, and data-handling considerations.

An employee's personal wellness activity

SEPERATION

The people responsible for managing their employment

Moving reimbursement review to a specialized third party can create greater separation between an employee's personal wellness activity and the people responsible for managing their employment.

That separation can help employees feel more comfortable using the benefit while reducing the amount of sensitive reimbursement information handled directly by internal teams.

When the Process Lives With One Person

Then there is the process itself. Many internally managed programs eventually become dependent on one or two people who know:

- | | |
|--|--|
| 01 What documentation is acceptable | 02 Which expenses qualify |
| 03 How exceptions have historically been handled | 04 When payroll files need to be created |
| 05 How reimbursements are tracked | 06 How employees are notified |
| 07 How balances are reconciled | 08 Reports for leadership |

That creates key-person risk. If the person who understands the process leaves, takes extended leave, changes roles, or simply becomes unavailable during a busy period, someone else has to recreate that knowledge.

KNOWLEDGE LIVING WITH ONE EMPLOYEE

Maintaining the process internally therefore also requires:

- | | |
|--------------------|------------------------|
| Written Procedures | Training |
| Documentation | Cross Training |
| Quality Control | Handoff and Onboarding |

And even with documentation, a new administrator may interpret policies differently from the person who managed the program before them.

A STANDARDIZED, REPEATABLE SYSTEM



Automation turns more of that institutional knowledge into a repeatable system instead of leaving it with one employee.

The Financial Comparison

IncentFit centralizes reimbursement administration in one platform and helps employers manage eligibility, submissions, tracking, approvals, reporting, employee support, and payment coordination.

IncentFit Reimbursement Program Pricing

COMPANY SIZE	INCENTFIT PROGRAM COST
1-99 employees	\$300/month
100-249 employees	\$3.00 per eligible per month
250-499 employees	\$2.55 per eligible per month
500-749 employees	\$2.30 per eligible per month
750-999 employees	\$2.07 per eligible per month
1,000-4,999 employees	\$1.86 per eligible per month

Pricing shown reflects reimbursement program administration and does not include the employer-funded reimbursement budget.

But comparing platform cost directly against the dollar value of employee hours does not tell the entire story.

The better financial analysis asks four questions.

Four Questions Employers Should Ask

1

What does the program consume today?

How many hours are spent managing submissions, eligibility, payroll, employee questions, reconciliation, reporting, exceptions, and corrections?

2

What happens to that capacity if the work is automated?

Could the organization avoid a hire? Support additional employees without expanding the team? Reduce overtime? Take on work that otherwise requires another resource?

3

What operational problems disappear?

Consider the cost and impact of inconsistent approvals, employee follow-up, delayed reimbursements, process documentation, training, turnover, and administrative errors.

4

What experience does the organization want employees to have?

Cost is important, but so are privacy, speed, consistency, support, and confidence in the program.

These questions are a framework, not a savings calculation. The value of recovered internal time depends on what the organization is able to do with it.

When Does Outsourcing Make Sense?

There isn't one answer for every employer.



MANAGING REIMBURSEMENTS INTERNALLY MAY MAKE SENSE WHEN:

- ✓ The eligible population is small
- ✓ Participation and reimbursement volume are low
- ✓ Program rules are simple
- ✓ One team can comfortably absorb the work
- ✓ Little sensitive documentation is required
- ✓ The process is already documented and consistent



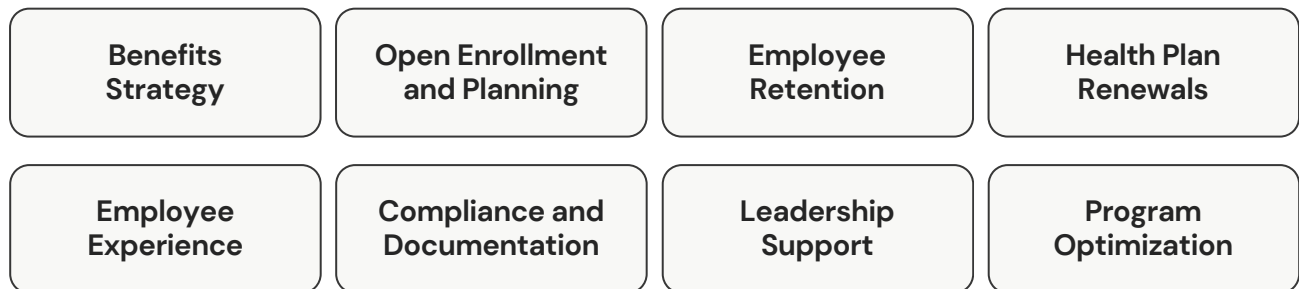
AUTOMATION BECOMES INCREASINGLY VALUABLE WHEN:

- ✓ Participation is growing
- ✓ Multiple teams are involved
- ✓ Employees frequently need assistance
- ✓ Receipt and documentation review is consuming meaningful time
- ✓ Eligibility changes frequently
- ✓ Payroll coordination is recurring
- ✓ Program rules or reimbursement categories are complex
- ✓ Sensitive information may appear in submissions
- ✓ Leadership needs reliable reporting
- ✓ The program depends heavily on one internal administrator
- ✓ The organization wants to scale without adding administrative headcount

The Value of IncentFit Isn't Simply Eliminating a Spreadsheet

It is reducing the amount of internal infrastructure required to operate the program.

Instead of spending recurring time reviewing receipts, answering reimbursement questions, tracking balances, updating files, documenting processes, training backup administrators, and coordinating payments, internal teams can focus on work that has greater impact on the organization. That may include:



And employees get a reimbursement experience that is designed specifically for them rather than another internal administrative workflow.

BOTTOM LINE

A small, straightforward reimbursement program may be perfectly manageable internally. But as the workforce, program, and administrative requirements grow, the decision should not be based on software cost alone. Employers should consider the complete picture:



The question isn't simply: "What does IncentFit cost?"

It is: "What does it take for us to run this well ourselves, and is that still the best use of our resources?"



Ready to Simplify Reimbursement Administration?

IncentFit centralizes eligibility, submissions, documentation review, approvals, payment coordination, reporting, and employee support in one platform, so your team spends less time administering the benefit and employees get an experience designed for them.

Speak With a Wellness Expert

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[Schedule a Demo](#)



This guide is intended to help employers evaluate the operational and financial considerations of administering a wellness reimbursement program. Figures shown illustrate the value of internal time and are not a guarantee of cost savings.