

LEE COUNTY PRE-TAX PREMIUM PLAN

(Declining Enrollment)

Employee Name: _____ SSN: _____
(Print Legibly)

**PLEASE DO NOT COMPLETE OR RETURN THIS FORM
IF YOU WILL NOT BE PAYING ANY HEALTH CARE PREMIUMS!**

If you enroll in health plans that require you to pay a premium, you will automatically be enrolled in the Pre-Tax Premium plan as defined by Internal Revenue Code Section 125. **This saves you money**, because all your health care premiums are paid with tax-free dollars! You will never pay taxes on the premium amounts deducted, which means that you get more take-home pay as a result of participating in this plan.

If you do not wish to participate in the pre-tax premium plan, please complete and return this form to your Human Resources office. You may decline participation in this plan during your initial election period when you choose all your other benefits, or during our annual Open Enrollment period in the fall of each year.

Your decision to either drop or add this benefit plan continues each succeeding plan year.

By signing this form below, I hereby decline participation in the pre-tax premium plan, and affirm the following:

I understand that by declining enrollment in this pre-tax premium plan, my payroll deductions for medical, dental, and vision insurance will be subject to federal income and social security taxes, which will reduce my take-home pay.

I understand that federal law prohibits changing my coverage type during the plan year (January 1 to December 31), unless I have a change in family status as defined by the Internal Revenue Service. (The change must be reported to Human Resources-Benefits within sixty (60) after the event occurs.)

Further, I understand that failure to report the qualifying event within the required time frame will result in continued premium deductions through the end of the plan year, regardless of the eligibility status of my dependents.

Signature

Date

What is the PRE-TAX PREMIUM plan?

It is a plan that allows you to pay your health care premiums (medical, dental, vision, and FSA) on a TAX-FREE basis. Funds contributed to health care costs through payroll premium deduction are taken BEFORE taxes – you will never pay taxes on those premium costs. Participation in this plan means that you will have more money in your paycheck because the entire amount of the premium you pay is not taxed. See Smart Benefits booklet for a table showing the potential savings when participating in this plan.

Why would I NOT want to participate in this plan?

Though paying for your benefits on a pre-tax basis will marginally reduce your Social Security benefits when you retire (or if you should become disabled), studies have shown that the savings employees realize through reduced taxes during their career usually more than make up for any reduction in Social Security benefits payments at their retirement.

Employees who are within two years of the date of their planned retirement may want to discontinue participation in the pre-tax premium plan, so that their full income is reported to the IRS. Contact a tax advisor for more information.