

PULASKI COUNTY GOVERNMENT
SECTION 125 CAFETERIA PREMIUM ONLY PLAN
EMPLOYEE WAIVER/ELECTION FORM

Name: _____ Emp # _____

Dept Name: _____ Dept. # _____

Social Security Number: _____ Begin Pay Period _____

SECTION I – WAIVER OF PRE-TAX BENEFITS (Check box, skip Section II and sign below)

I elect to waive all pre-tax benefits under the Section 125 Cafeteria Plan.

SECTION II – ELECTION OF PRE-TAX BENEFITS (Check box and sign below)

I elect to enroll in Pulaski County's Section 125 Premium Only Cafeteria Plan.

By electing to participate, Pulaski County and I agree to reduce my compensation by the amount of insurance withheld each pay period during the Plan year. My election may include one or all of the following insurance premiums in which I have enrolled on a separate insurance enrollment form:

Health Insurance

Employee Coverage Only
Employee plus Spouse or Employee plus Children
Family Coverage

Dental Insurance

Employee Coverage Only
Employee plus One Dependent
Family Coverage

Vision Insurance

Employee Coverage Only
Employee plus One Dependent
Family Coverage

You cannot change or revoke this compensation reduction agreement any time during the plan year unless you have a change in family status.

⇒ **Terms and Conditions** ⇐

The reduction in my cash compensation under this agreement shall be in addition to any other reductions under other agreements or benefit plans. Execution of this Agreement does not begin coverage under the elected Insurance Benefit. You must apply for Insurance Coverage on the appropriate insurance application form. The terms, conditions, and actual coverage effective date of an elected insurance benefit will be found under a separate corresponding insurance policy. If your insurance premiums are increased while this agreement remains in effect, your compensation reduction will automatically be adjusted to reflect that increase. Before the first day of each plan year, you will be offered the opportunity to change your benefit election for the next plan year. If you do not complete and return a new election form, you will be treated as having elected to continue your benefit coverage then in effect for the new plan year. I understand that no refunds of insurance premiums deducted can be issued to me. **By my signature, I confirm that I have read and understand the above Terms and Conditions and have indicated my election or waiver above.**

Signature: _____ Date: _____

This agreement is subject to the terms of Pulaski County's Cafeteria Plan as amended from time to time in effect, as governed by and construed according to applicable laws, shall take effect as a sealed instrument under applicable laws, and revokes any prior insurance election and compensation reduction agreement relating to such plans.

Return This Form to the PAYROLL DEPARTMENT
201 SOUTH BROADWAY, SUITE 440
340-8388

SECTION 125 CAFETERIA (PREMIUM ONLY) PLAN

What is the Section 125 Cafeteria (premium only) Plan?

- A way to increase your paycheck by reducing your withheld taxes.
- A benefit offered by Pulaski County pursuant to Section 125 of the Internal Revenue Code.

Who is eligible to participate in the Cafeteria Plan?

- You are eligible to participate if you have premiums deducted from your paycheck for health, dental and/or vision insurance.

How does the Cafeteria Plan reduce your withheld taxes?

- Allows you to take advantage of current tax laws and pay insurance premiums with **tax free dollars** by deducting the premiums from your paycheck **before** federal, state and social security taxes are calculated. **The immediate results are lower withheld taxes and a larger paycheck!☺**

Will the lower withheld taxes affect your tax refund at the end of the year?

- You may have a slight decrease in your refund if you currently over-withhold. Otherwise, you will see no difference because the taxable wages reported on your W-2 are reduced by the amount of your insurance premiums. (Insurance premiums deducted under the Cafeteria Plan cannot be used as an itemized deduction on your income tax return).
- Your tax savings in each paycheck will far exceed any decrease in your tax refund.

Will I eventually have to pay taxes on the amount deducted through the Cafeteria Plan?

- No, you will **never** be taxed on the amount(s) deducted through the cafeteria plan.

How much money will the cafeteria plan save you?

- Savings vary based on your income level, the amount of the premiums deducted, and the number of exemptions claimed on your Form W-4.
- See sample savings below on an employee claiming Married and zero:

	WITHOUT S125	WITH S125 Enrollment
GROSS	\$1,347.65	\$1,347.65
Federal Tax	117.05	56.79
State Tax	51.87	25.32
FICA	83.55	55.72
FICA/Medicare	19.54	13.03
Health Plan 1 Emp + Spouse	402.57	402.57
Dental Ins - Family	36.48	36.48
Vision Ins - Family	9.90	9.90
NET CHECK	626.69	747.84

Biweekly Savings = \$121.15
Yearly Savings = \$2,907.60

Is there any reason why you should not take advantage of the plan?

- Participation in the plan will lower your social security wages reported to the Social Security Administration. This could have an impact on your social security payments upon retirement, but the current savings should far exceed any decrease in your social security.

How may you enroll?

- New hires may enroll immediately upon their election for payroll deducted insurance by completing an enrollment form and sending it to the Payroll Department prior to the first payroll deduction for insurance.
- During the Annual Open Enrollment period offered to all eligible Pulaski County employees.
- If you have a qualifying family status change. (Qualifying Family Status Changes under the Internal Revenue Code include: Marriage, Divorce, Birth of child, Adoption of child, Change in status of dependent, Change from full-time to part-time, Change from part-time to full-time, Away on leave of absence, Return from leave of absence, Employment of spouse, Termination of spouse's employment, Change in spouse's pay grade or Death of spouse or dependent.