



## Premium Only Plan

### *Save money with pretax dollars*

*The group health plan premiums you pay each year may add up to hundreds or even thousands of dollars. Ordinarily, these expenses are paid with your salary dollars after taxes.*

*With the SelectAccount<sup>SM</sup> Premium Only Plan, you can pay these expenses with pretax salary dollars. This means that the money you are using to pay for these expenses is tax free, which can result in significant tax savings throughout the year.*

### **Am I automatically enrolled?**

In most cases you are automatically enrolled in this plan. Your group health plan premium contributions will be automatically deducted from your salary before federal, state, and FICA taxes are withheld. If you prefer not to participate in this benefit, simply complete a "waiver" form before the beginning of each plan year. You can get this form from your employer.

## An example of how the program can save you money

	With SelectAccount	Without SelectAccount
Annual gross income	\$30,000	\$30,000
Health plan premium contribution (\$110 x 12 months)	\$1,320	None
Taxable income	\$28,680	\$30,000
Federal, state and FICA taxes*	\$4,960	\$5,492
Health plan premium paid after taxes	None	\$1,320
Remaining disposable income	\$23,720	\$23,188
Tax savings	\$532	None

\*This amount may differ based on your tax bracket.

The employee paid \$1,320 in medical health plan premiums with pretax dollars, which decreased taxable income and increased take-home pay by \$532.

*Note: Because fewer taxes are taken out, future Social Security benefits may be reduced. Remember, this is only an example. Your savings may be different from those shown here, based on your income and tax bracket.*

## Changes in your enrollment status

Your participation in the plan cannot be changed or canceled during the plan year, unless you experience a qualifying event as defined by the IRS. Changes made must be consistent with the qualifying event.

*These include:*

- Marriage
- Divorce
- Birth or adoption of a child
- Death of a spouse or child
- Spouse's termination or commencement of employment
- A significant benefit or rate change to your existing health plan

Contact your employer within 30 days of a qualifying event to make changes to your participation status.

## SelectAccount — a full range of products

At SelectAccount, we're known for showing flexibility in meeting customer needs and responding to those needs with excellent service. It's a tradition we began when we were founded in 1985 and one we maintain with the over 175,000 customers we serve.

For more information, visit  
[www.selectaccount.com](http://www.selectaccount.com)

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SelectAccount<sup>SM</sup>

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