

Riverside Township BOE

POP FAQ

What Is A Premium Only Plan (POP)?

An IRS Section 125 Premium Only Plan is also often referred to as a POP Plan. In a nutshell, it makes it possible for employees to use tax-free or pre-tax income to pay for qualified health insurance premiums. These pretax dollars are subtracted from your gross earnings before taxes are taken out, thus lowering your taxable income and increasing your take home pay. Click on the Premium Only Plan Tab above for more information.

With a Premium Only Plan:

- Your benefits are more affordable.
- Your spendable income increases.
- You pay less in taxes.

For a copy of this POP's Summary Plan Description, please refer to the document located in the Document Library of your group's BenePortal site.

IMPORTANT NOTICE- DEFAULT ELECTION: All employees that have met the eligibility requirements (see POP Summary Plan Description) **will be automatically enrolled in the plan**, unless you choose, in writing, to opt out of the plan.

For a copy of this default notice, please refer to the document located in the Document Library of your group's BenePortal site.

When Can I Opt Out or Make a Change to my POP Enrollment?

You may opt out of the plan or make a change in your election only at the beginning of each plan year. The Plan Year is from 7/1 to 6/30 of each year. To make a change during the plan year, a change in status such marriage, divorce, birth of a child, the death of your spouse or a dependent, your spouse's ending or beginning employment, when you or your spouse switch from part-time to full-time employment or full-time to part-time, or when you or your spouse take an unpaid leave of absence which impacts your benefits. The change must be reported the Business Office within 31 days and your election change must be consistent with the change in status.

For a copy of your POP Opt Out Waiver Form, please refer to the document located in the Document Library of your group's BenePortal site.

How Will Pre-Taxing Impact My Social Security Benefits?

The Social Security benefit is based on total wages accumulated during your lifetime, and the government has a formula it uses to calculate these benefits that is always subject to change. Any reduction in your taxable pay may also lead to a reduction in your Social Security benefits; however, for most employees, the reduction in Social Security benefits is insignificant when compared to the value of paying lower taxes now.