

# BASIC FLEX POP

BASIC Flex POP is a Premium Only Plan, POP for short. The POP plan was established by Section 125 of the Internal Revenue Code. It allows you to pay for certain insurance benefits before taxes, which saves you money. The taxes you save are returned to you as increased take home pay. You may use BASIC Flex POP on employer-sponsored benefits which you pay a share of the premium cost. These may include health insurance, supplemental health, vision, dental, prescription insurance, the first \$50,000 of group term insurance (on the employee only), AD&D, short and long term disability, and Health Savings Accounts (HSAs).

Without BASIC Flex POP		With BASIC Flex POP	
Gross Taxable Wage	\$400.00	Gross Taxable Wage	\$400.00
<b>Federal, FICA &amp; State Tax</b>	<b>-71.00</b>	Insurance premium co-pay	-25.00
Insurance premium co-pay	-25.00	Taxable Wage	\$375.00
Weekly Take Home Pay	\$304.00	<b>Federal, FICA &amp; State Tax</b>	<b>-62.00</b>
		Weekly Take Home Pay	\$313.00
		<b>Annual Tax Savings</b>	<b>\$468.00</b>

You may change your annual election if you have a qualified change in status, such as: marriage, birth, death, divorce, or adoption. Also, pre-tax contributions through this plan could reduce your future Social Security Benefits; however, studies show it is usually less than 1%. The amount is minimal compared to the tax savings you receive with BASIC Flex POP.

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## ENROLLMENT FORM FOR BASIC FLEX POP

Employer Name: \_\_\_\_\_

Participant Name: \_\_\_\_\_ SS #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Open Enrollment  New Hire (Hire Date: \_\_\_\_/\_\_\_\_/\_\_\_\_)  Key Employee (Officer or Owner)  Change in Status

**I elect to participate** (the amount of salary reduction needed to pay premiums under the insured portions of the Plan will be determined by my employer. This amount will be changed as necessary, if the premium changed by the insurance company changes.)

**Check all that apply:**

Health Insurance  Group Life Insurance  Disability Insurance  Dental Insurance

Other(s) \_\_\_\_\_

**I decline to participate**

I request that my periodic paychecks for the plan year be reduced on a pro rata pre-tax basis by sum of my premium contributions to the plan, such amount to be allocated among the benefits I selected above. I understand this election form cannot be revoked or changed during the plan year, unless there is a change in my status (e.g. marriage, divorce, death of spouse or child, birth or adoption of child, and change of employment of spouse) which justifies the revocation or change. I have examined this agreement and to the best of my knowledge, it is true, correct and complete.

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_