

BLOOMFIELD SCHOOLS

PREMIUM ONLY PLAN

This plan allows employees to make their insurance contributions with pre-tax dollars.

- Employees' premium contributions are automatically deducted from their salaries before taxes are taken out.
- Taxable income is reduced by the amount contributed, so employees pay less in taxes and have more take-home pay.
- You need to re-enroll in POP to continue to have your insurance premiums deducted pre-tax.

Under POP, when insurance premiums are deducted from a paycheck, the deductions are normally made after FICA and federal income taxes are taken out. This means premiums are paid with “after tax dollars.” With this plan, the eligible premiums are deducted before any tax or Social Security (FICA) deductions are made. The premiums are paid for with “pre-tax dollars.” The income reported on your annual W-2 form is reduced by the amount of the insurance premiums and the taxable income is therefore lower.