

ELAINE M. ARBOUR, Ed.D.
Superintendent of Schools
e.arbour@dover.k12.nh.us

KAREN M. TAYLOR
Business Administrator
k.m.taylor@dover.k12.nh.us



CHRISTINE BOSTON
Director of Pupil Personnel Services
c.boston@dover.k12.nh.us

PAULA GLYNN
Director of Curriculum, Instruction and
Assessment
p.glynn@dover.k12.nh.us

THE DOVER SCHOOL DISTRICT
SCHOOL ADMINISTRATIVE UNIT #11
McCONNELL CENTER
61 LOCUST STREET SUITE 409
DOVER, NEW HAMPSHIRE 03820-4132
TEL (603) 516-6800
FAX (603) 516-6809

ENROLLMENT FORM - PREMIUM OFFSET PLAN

CITY OF DOVER, SCHOOL DEPARTMENT - SAU#11

School or Location

Last Name (Please Print)

First Name

Middle

Street Address

City

State

Zip Code

Social Security Number

Date of Birth

GROUP PLAN CONTRIBUTIONS

Enrollment in the Salary Reduction Plan will reduce my gross salary by the amount necessary to pay employee contributions for Medical and Dental Insurance.

- Yes, I wish to participate in the Section 125 Premium Offset Plan
 No, I do not wish to participate

Signature

Date

CLOSING DATE FOR ENROLLMENT IN OUR PREMIUM OFFSET PLAN IS SEPTEMBER 1.
NO APPLICATION WILL BE ACCEPTED AFTER SEPTEMBER 1 UNTIL THE NEXT OPEN
ENROLLMENT.

Dover School District Mission Statement

Strengthening our community by educating every child, every day!

WOULD YOU LIKE MORE TAKE HOME PAY WITH LESS TAXES? Most people would. That's why you should take a minute to read this sheet. It will tell you how to get more take-home pay, by paying less federal and state taxes. How? By electing to use pre-tax dollars to pay your contribution for your health and dental insurance premiums under your employer's "Section 125 Premium Offset Plan".

WHAT IS SECTION 125? Section 125 is the section of the Internal Revenue code that allows employees to elect to convert taxable benefits (cash in the form of your pay) into non-taxable benefits. This code was established in 1978 by the U.S. Congress in an effort to make benefit programs more affordable to employees by authorizing favorable tax treatment towards the cost of health insurance benefits.

HOW DOES THE SECTION 125 PREMIUM OFFSET PLAN WORK FOR ME? With the Premium Offset Plan, you can elect to pay your portion of your group health and dental insurance premiums with pre-tax dollars (deducted from your gross pay before taxes) rather than with after-tax dollars (deducted from your net pay after taxes). By paying for your benefits with pre-tax dollars, you actually lower your taxable income, which means that you pay less taxes and take home more pay.

HOW MUCH WILL I SAVE IN TAXES WITH THE PREMIUM OFFSET PLAN? You will save Federal Income Tax, Social Security Tax (FICA) and State Income Tax (if applicable) on the amount of your insurance contribution by participating in this plan. The amount of Federal Income Tax you save depends on your income tax bracket, but it will be at least 15%. Your Social Security tax savings will be 7.65%. State income tax varies by state but is usually 0% to 6%.

WILL MY PARTICIPATION AFFECT MY SOCIAL SECURITY BENEFITS? Pre-tax deductions under Section 125 are not considered wages for Social Security purposes. When you retire, Social Security will figure your benefit based on your Social Security wage history for your entire working career. Since Social Security wages will be a little less, your Social Security benefits may be affected slightly. Most employees, however, feel that the savings in Federal and State taxes today far outweighs the possible reduction on Social Security benefits in the future.

THIS SOUNDS TOO GOOD TO BE TRUE. DO I HAVE TO PAY THESE TAXES LATER? *NO.* You will not have to pay these taxes back to the IRS. Employers who have set up a Premium Offset Plan in accordance with IRS guidelines are able to offer these tax savings to their employees.

HOW DO I ENROLL? If you wish to participate in the plan, you will have to sign an election form during the open enrollment period each year. The election will remain in force until the plan's renewal date at which time you will again be given the opportunity to participate. Employees may make elections for the plan only during the open enrollment period.

The Section 125 Premium Offset Plan is a positive step toward making your benefits package more affordable. Your employer is pleased to make this program available to you.

SAMPLE OF SAVINGS WITH SECTION 125:

Employee X making \$1111.08 per bi-weekly pay. Federal Filing Status S-1, 2-Person HMO @ 17.98 and 2-Person Dental @ 14.12.

	Taxes with Section 125 Plan	Taxes without Section 125 Plan	Savings
Federal	\$115.12	\$119.93	\$ 4.81
Social Security	\$ 66.90	\$ 68.88	\$ 1.98
Medicare	\$ 15.65	\$ 16.11	\$.46
Total Biweekly tax	\$197.67	\$204.92	\$ 7.25

ANNUAL TAX SAVINGS = \$7.25 X 26 PAYS = \$188.50!

CLOSING DATE FOR ENROLLMENT IN OUR PREMIUM OFFSET PLAN IS SEPTEMBER 1.
NO APPLICATION WILL BE ACCEPTED AFTER SEPTEMBER 1.

Dover School District Mission Statement

Strengthening our community by educating every child, every day!