

MOUNT BAKER SCHOOL DISTRICT NO. 5047
SECTION 125 "PREMIUM ONLY" WAIVER/ELECTION FORM

EMPLOYEE (Print): _____ Soc Sec #: _____

Based on Mount Baker School Districts Section 125 Plan, you have a choice of electing pre-tax benefits or waiving pre-tax benefits for any applicable group benefit premium now or in the future that would be deducted from your pay. This choice is yours with or without electing any Section 125 products. **Electing or waiving pre-tax benefits does not authorize any deduction from your pay it merely treats deductions you already have or would have in the future as pre-taxed or not pre-taxed.**

Election of Pre-Tax Benefits: Allows applicable group benefit premiums (like medical insurance) now or in the future to be deducted pre-tax from your pay until changed. Pre-tax out-of-pocket insurance premiums are exempt from FICA, Medicare & federal taxes. FICA and Medicare together total 7.65%. Federal depends on your tax withholding (est. 10%-25%). In a 15% tax bracket a \$200 monthly deduction would result in a pay reduction of \$154.70.

Waiver of Pre-Tax Benefits: By waiving participation, you choose to pay taxes on any out-of-pocket premiums (like medical insurance) now or in the future until changed.

If you are a new employee, hired after September 1, 2009 and this election form is not submitted, you will default as electing pre-tax benefits.

Elect Pre-Tax Benefits: I authorize Mount Baker School District to deduct any applicable group benefit medical/dental/vision premiums that I would have pre-tax. I understand that my election is binding unless I change it with a new form.. Under penalty of perjury, I understand that these expenses cannot be claimed on my income tax return.

or

Waive Pre-Tax Benefits: I **DO NOT** wish to participate in the premium pre-tax plan. I understand I am waiving the tax benefit of participation.

I understand:

⇒ My election will remain in effect until I change it.

⇒ I can only make changes during the Section 125 open enrollment or within 30 days of a qualifying event as defined by the IRS.

⇒ Any premiums I have deducted pre-tax are not FICA/Medicare taxable, and are not reported as income to Social Security which could reduce my social security wage base.

⇒ Mount Baker School District has not made my decision for me, therefore, I hereby agree to waive any claims against the District relating to participation or non-participation in this Plan.

Employee Signature

Date

Reason: New Hire Open Enrollment Change of Status (check reason below)

Change in work hours Unpaid leave of absence Spouse's employment changed

Birth or adoption of a child Marriage Divorce/Legal Separation Death of a spouse/child

Date Change occurred: _____ (date signed above must be within 30 days of change)