

# Pre-tax Benefit Deductions and Changes

Deductions for Medical, Dental, and other benefits are taken on a pre-tax basis unless you request otherwise. This means that you don't pay taxes on those dollars, and are thereby reducing your taxable income. Once you enroll in pre-tax benefits, either as a new hire or during Open Enrollment, your choices will remain in effect for the rest of the plan year and cannot be changed unless you experience a qualified status change. Federal Law sets specific rules about changes that can be made to benefit elections when premiums are paid on a pre-tax basis.

## Examples of Qualifying Events

- Change in legal marital status (marriage, divorce, annulment, death)
- Change in the number of dependents (birth, adoption, death, full time student status)
- Change in employment status that affects eligibility (commencement/termination of employment, or change in hours worked by a dependent spouse)

The requested change must be consistent with the event and documentation to substantiate all coverage changes is required.

**Notification of your qualified status change MUST be made within 30 days of the event. If you do not request a change within 30 days of the event date, your next opportunity to make changes is Open Enrollment.**

If you have questions, or if you would like to make a change due to a qualifying event, please contact Diane Perry at 508-646-2822 or [DPerry@town.somerset.ma.us](mailto:DPerry@town.somerset.ma.us)

# Post-tax Benefit Deductions

You may elect to have your health, dental and other benefits deducted on a post-tax basis which means that the money you pay towards the cost of coverage comes out of your salary after you pay taxes. Although you do not get any savings from taxes, you have the flexibility of dropping your coverage at any time.

***Please notify the Treasurer's Office if you would like to opt out of Pre-Tax Deductions.***