

# You can lower your taxable income with a premium-only plan

## Want more money in your paycheck?

Would you like to increase your spendable income and enhance your benefits? A premium-only plan (POP), available through your employer, lets you choose the benefits that best fit your needs and pay for them with pre-tax dollars. Your POP contributions will be deducted from your gross earnings — before payroll taxes are taken out. This typically reduces the taxes you pay, which can help increase your paycheck.

You could use the increased take-home pay to add more benefits during enrollment to give you more financial protection.



## How does the POP plan work?

Below is a generic example of how POP plan deductions can help increase your take-home pay.

	Without POP	With POP
Salary (Gross pay based on 24 periods)	\$1,000	\$1,000
Taxes	-\$250	—
Health insurance (if deducted pre-tax)	—	-\$100
Taxable salary	\$750	\$900
Taxes	—	-\$225
Health insurance (if deducted after tax)	-\$100	—
<b>Spendable income</b>	<b>\$650</b>	<b>\$675</b>

The illustration provided is for informational purposes only and not intended to reflect any particular real-world situation. Taxes may vary by state and personal tax status.



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## How do I get started?

Your Colonial Life benefits counselor will explain your options in simple, straightforward terms, so you can determine what's right for you and your family. Your benefits counselor can also assist you with the necessary paperwork.

## When can I enroll/change my election in this plan?

You can enroll or change an election only during your company's eligible enrollment period, unless you experience a change in your:

- Marital status
- Number of dependents
- Employment status
- Place of residence
- Dependent eligibility requirements

Keep in mind the election must be related to the status change. For example, Mary has a baby during the plan year. She can add the new baby to her coverage because the baby is a new dependent, which is considered a status change. But if Mary decided she wanted to add her husband, she would have to wait until the next eligible enrollment period, because that would not be considered a status change.

**Talk with your Colonial Life benefits counselor about how a premium-only plan can help you get more out of your paycheck.**

State restrictions may apply.

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