

Graduate Student Employee Health Plan (GSEHP): Pretax Guidelines

Employee Health Insurance Payment On a Pretax Basis

Your Pretax Contribution Plan

The Research Foundation Flexible Benefits Program allows you to pay your health insurance premium costs on a pretax basis. Under this program, your insurance payments are not reflected as part of your reportable earnings, so your taxable income is reduced, resulting in lower tax withholdings and higher take-home pay. This program is made possible under Section 125 of the Federal Tax Code, which permits employers to treat employee health insurance premiums as an employer-paid benefit not subject to federal and state income taxes and Social Security (FICA) taxes.

Savings will vary depending on whether you have individual or family coverage, the number of withholding allowances that you claim, and other variables.

Participation may reduce future Social Security benefits, because Social Security income credits are reduced by the amount of the premium contribution.

Eligibility

All active Research Foundation employees enrolled in the Research Foundation Graduate Student Employee Health Plan are eligible to participate in this program.

Automatic Enrollment

All Research Foundation Graduate Student employees enrolled in The Research Foundation Graduate Student Employee Health Plan (GSEHP) will be automatically enrolled in the Flexible Benefits Program. Therefore,

IF YOU WISH TO PARTICIPATE, DO NOTHING.

If you do not wish to participate in the program, contact the office at your location that handles Research Foundation fringe benefits to obtain a [Participant Waiver Form for Graduate Student Employees](#).

Changes in Benefit Elections

Under IRS regulations, once your pretax deduction becomes effective for a calendar year, you may not discontinue or change your election (for example, from family to individual) until the next open enrollment period. The only exception is if you meet one of the qualifying events described below.

Definition: qualifying event

A *qualifying event* is a change in an employee's or dependent's status that permits a change to be made in pretax health insurance elections outside of the annual open enrollment period. The change in status must result in a gain or loss of coverage or coverage options. The election change must be consistent with the change in status.

Qualifying events include:

- Qualification for special enrollment rights provided under the Health Insurance Portability and Accountability Act of 1996

(HIPAA). You, your spouse and your dependents have special enrollment rights if you had other health insurance coverage at the time of the annual enrollment period and you are no longer eligible for that coverage, or if you acquire additional dependents as a result of marriage, birth, adoption or placement for adoption.

- A change in status that affects your, your spouse's or dependent's coverage including a change in:
 - legal marital status because of marriage, death of a spouse, divorce, legal separation, or annulment
 - number of dependents because of birth, adoption, placement for adoption, or death
 - employment status (termination or commencement of employment) by you, your spouse, or dependent
 - work schedule (reduction or increase in hours of employment) for you, your spouse, or dependent because of a switch between part-time and full-time, or commencement of or return from an unpaid leave of absence that results in acquiring or losing eligibility for health insurance
 - unmarried dependents' status (an event that causes your dependent to satisfy or cease to satisfy the requirements for coverage because of attainment of age or student status, or any similar circumstances as provided by the plan)
 - residence or worksite (a change in the place of the residence or work of you, your spouse, or dependent).
- Receipt by the plan of a court order, such as a qualified medical child support order under section 609 of ERISA.
- Your, your spouse's, or dependents' qualification (or loss of qualification) for Medicare, Medicaid or other coverage sponsored by a governmental or educational institution.
- There is a significant cost change or a reduction or curtailment of the coverage available during the year. In such a case, you may elect coverage under another option providing similar coverage or to drop coverage if no similar option is available. If a coverage option is added or significantly improved or the cost of a coverage option has significantly decreased during the year, eligible employees (including those who have not previously elected coverage) may change their elections to enroll in the new, improved or decreased cost option.
- A change is made in the health coverage available to you, your spouse or dependents through another employer and either that employer plan has a different period of coverage (a different open enrollment period) or has rules allowing changes in election similar to the rules contained in this section.

Requests for enrollment changes are processed in accordance with IRS regulations by your local Research Foundation office administering benefits. These requests are subject to review by the central office of Research Foundation Employee Services, which may require additional written documentation.