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**STATE OF VERMONT**

**DEPARTMENT OF HUMAN RESOURCES  
PREMIUM REDUCTION PLAN**

As a State of Vermont employee, you are entitled to pay your medical premium with pre-tax dollars. This is called a “Premium Reduction” plan. Below is a brief description of how the Premium Reduction plan works.

The Premium Reduction plan allows for your medical premiums to be deducted from your salary before any taxes are deducted. This is similar to the Deferred Compensation Plan and the Flexible Spending Account Plan. As a result, you pay less Federal, State and Social Security taxes. As with those accounts, by signing up for this plan, your contributions to Social Security will be slightly reduced since contributions are based on your income after deductions.

You must sign this form below to authorize the Payroll Division to deduct Medical premiums on a “pre-tax” basis.

The Internal Revenue Service allows this benefit for active employees only. If you cease to be an active employee, you are no longer eligible.

**YES, I WANT TO PARTICIPATE IN THE PREMIUM REDUCTION PLAN. MY SIGNATURE IS BELOW.**

\_\_\_\_\_  
Employee Number

\_\_\_\_\_  
Print Name (Last, First, Middle Initial)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

Send the completed form to:

Department of Human Resources  
Employee Benefits Unit  
120 State Street, 5<sup>th</sup> floor  
Montpelier, VT 05620-2505  
Fax: 802-828-5489

Or via email to:

[ahr.benefits@vermont.gov](mailto:ahr.benefits@vermont.gov)