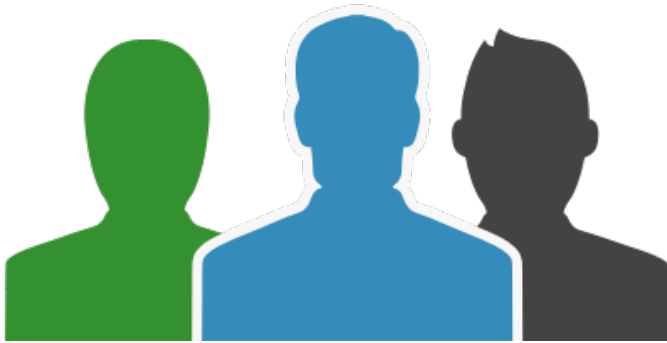


FAQ: What is a Section 125 POP (Premium-Only-Plan)?

One of the most common (if not the MOST common) forms of Section 125 plans is a Premium Only Plan (aka "Section 125 POP", "POP plan", "Premium-only Cafeteria Plans", etc.).



A Section 125 Premium-Only-Plan (POP), is a cafeteria plan which allows employees to pay their health insurance premiums with tax-free dollars.

How Section 125 Premium-Only-Plans (POP) Benefit Employees:

Employees save up to 40% on federal income taxes alone. Under a POP plan, an employee's take-home pay is increased, effectively reducing the cost of purchase adequate health insurance.

***Non-Certified Employees Only:** Enrollment in a Section 125 Plan will impact gross earnings reported to Illinois Municipal Retirement Fund (IMRF). For further explanation you may contact IMRF directly at 1-800-275-4673.