

Frequently Asked Questions about Changes in Premium Withholding

What is changing about benefit premium deductions?

Premiums are now taken out the month before, so premiums withheld in November pay for the benefits you receive in December. Starting in 2019 all premium deductions for all employees will be withheld on a bi-weekly basis, and premiums will be paid closer to the period of benefit coverage. Premiums withheld in a check will now pay for the benefit you received during that pay period. For instance, the premiums withheld from the check that is deposited on February 15, 2019, will pay for the benefits received January 27 through February 9, which is the pay period covered in that pay. (See the [payroll calendar](#) in the Resources section.)

Why is the college making this change?

The way we were doing it was confusing for employees and difficult for our vendors.

What does this change mean for me?

If you are a participant in the college's benefits plans, it means that you will not pay any health, dental, vision, optional life insurance, cancer insurance, long-term buy up insurance, Metlife Legal Assistance or InfoArmor premiums in the month of December 2018. FSA and HSA contributions will continue to be withheld in December.

The paychecks that will not have premiums withheld are the checks paid on 12/7/2018 and 12/21/2018.

How much larger than usual will my December check be because I will be paying less in premiums that month?

Even though you will pay less in premiums in December, your pay will not increase by exactly the amount saved in premiums. The premiums we pay are deducted before taxes are assessed, so you have less taxable income. Premiums will be less in December so you will have more taxable income for the month and thus you will pay more taxes.

When will my contributions from my December check to HSA and 403(b) be deposited?

The HSA and 403(b) contributions from the last monthly check in December will be deposited in early January, as they always have been. Contributions withheld from the bi-weekly checks in 2019 will be deposited shortly after each check is cut and deposited.

As an exempt employee, how will my contributions to my HSA account and flex spending accounts be funded in January?

For exempt employees, your contributions for FSA and HSA accounts will be doubled on your first check in January, so that all contributions are reflected in the correct tax year. After the first check in January, contributions will return to 1/26 of your annual contribution.

Should you need to adjust your HSA contribution, you are able to change the deduction amount for your HSA contribution amount any time in SmartBen.

If I leave the college, when will my benefits be paid through?

Your benefits will be paid through the final day of the pay period in which your final day of employment falls.