

## Pre vs. Post Tax Employee Dental Benefits

Employee benefit insurance programs such as medical, dental and vision are often administered and billed by employers. These benefits can be offered as a pre-tax or post-tax deduction with paychecks. Below outlines some of the common differences with these options.

### PRE-TAX vs. POST-TAX What's the difference between these deductions?

#### PRE-TAX

Employer deducts benefit payments from pay before taxes

#### POST-TAX

Employer deducts benefit payments from pay after taxes

#### PRE-TAX EXAMPLE

#### POST-TAX EXAMPLE

Annual Income	\$50,000	\$50,000	
Pre-tax Benefit deduction (12 months of premium)	\$528.00	n/a	*benefit payment taken before taxes paid
Adjusted Taxable Income	\$49,472.00	\$50,000.00	
Federal Income Tax (25%)	\$12,368.00	\$12,500.00	
KY State Income Tax (5.8%)	\$2,869.40	\$2,900.00	
FICA (1.45%)	\$717.00	\$725.00	
Post-tax Benefit deduction (12 months of premium)	n/a	\$528.00	*benefit payment taken after taxes paid
<b>Take Home Income</b>	<b>\$33,517.60</b>	<b>\$33,347</b>	

Total Annual Savings with Pre-Tax Benefits = \$170.60/year  
 Total Monthly Savings with Pre-Tax Benefits = \$14.22/month