

Group Health Insurance Plans

Making decisions about health insurance probably isn't at the top of your list of favorite things to do. However, health insurance is an important part of your finances and medical care, so you want to make an educated choice about which plan to enroll in. If you are offered group health insurance through your employer, you can take advantage of several benefits.

What are Group Health Plans?

Group health insurance plans are employer-based plans that offer coverage to a pool of employees. In contrast, an individual plan is purchased to cover only one person or family. The difference between how group and individual plans are designed affects your costs.

Why choose a Group Health Plan?

Group health insurance plans hold several advantages over individually purchased health insurance, including lower costs and convenience.

- **Shared risk.** Because a group plan covers multiple people, the risk is spread out over what is likely a fairly healthy group of participants. This helps keep your premium rates lower than individual plans whose rates are based on individual risk.
- **Shared costs.** With group coverage, your monthly premium is even lower because the cost is shared between you and your employer. Employers will pay varying percentages of coverage, but whatever amount they choose, it reduces the amount you owe. Depending on your employer's benefits, you may be responsible for the full cost of the premium for your enrolled family members, or your company may choose to contribute to those premiums as well.
- **Tax advantages.** If you pay health insurance premiums for an employer-sponsored group health plan, you can pay your premium with pre-tax dollars, which means you are not taxed on the money that is spent on your premium. This lowers your taxable income, giving you another financial benefit from group health coverage. If you are enrolled in an individual health plan, your premium will typically be paid with taxed dollars.
- **Easy enrollment.** A huge advantage of group health coverage through your employer is the ease of enrolling and paying. Your employer will handle the administrative burden of facilitating coverage, and typically your premiums will be automatically deducted from your paychecks.
- **COBRA.** Under certain circumstances, such as voluntary or involuntary job loss, you have the option to keep your group insurance plan for a certain length of time under the Consolidated Omnibus Budget Reconciliation Act (COBRA). You will have to pay more for the premium because your employer is no longer paying a share of the cost, but it is an option available to you while you work on acquiring new medical coverage after a job loss or other qualifying circumstance. For more information on COBRA, visit www.dol.gov/dol/topic/health-plans/cobra.htm.

We're here to help! [Contact Sentinel Benefits & Financial Group](#) for the guidance you need.

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