

LaSalle County Human Resources

707 E Etna Rd Rm 247-249

Ottawa, IL 61350

815-434-8224



November 21, 2025

Hello LaSalle County Employees –

We are excited to announce on November 3, 2025 the LaSalle County Full Board adopted a resolution redefining eligible wages for those who elect to participate in the Internal Revenue Code (IRC) Section 125 Plan. Effective January 1, 2026, all wages redirected towards a Section 125 Plan will be considered eligible wages and reported to IMRF.

What is a Section 125 Plan and why should I enroll?

A Section 125 Plan affords employees the opportunity to reduce their taxable gross by tax sheltering eligible benefit premiums deducted from their paycheck. Reducing the taxable gross equates to employees paying less in federal, state and FICA taxes. Paying less in taxes **increases** your take home pay!

Example of how a Section 125 Plan increases an Employee's take home pay

For this example, assume an employee makes \$19 per hour and is enrolled in the County's health plan with family coverage. Without the Section 125 Plan, the bi-weekly take home pay for the employee is \$868.50. If the employee elects to participate in the Section 125 Plan, the take home pay increases to \$944.29. That is an additional \$75.79.

Benefits currently eligible for the Section 125 Plan are:

- Health Insurance Benefit
- Dental Insurance Benefit
- Vision Insurance Benefit
- North Central Illinois Laborer's Health & Wellness Fund Insurance Benefit

How do I enroll in the Section 125 Plan?

Please complete the attached "Election to Participate" form and return to Julie Ziel in the Human Resources Department. The form can be dropped off or scanned and emailed to zziel@lasallecountyil.gov. All forms must be received by December 31, 2025. Your election to participate will be effective January 1, 2026. The changes in your take home pay will be reflected on your January 9th, 2026 paycheck.

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I'm currently enrolled in the Section 125 Plan, what should I do?

Those currently enrolled will not see any changes with their payroll. Unless you chose to opt out, you will continue on the plan into 2026. Effective January 1, 2026, your wages reported to IMRF will include wages that are redirected towards the Section 125 Plan. Please contact Julie Ziel at jziel@lasallecountyil.gov if you are interested in opting out of the Plan.

Included with this email is the Summary Plan Description (SPD) along with the Election to Participate Form.

Additionally, while we all adjust to the increase in health insurance premiums, we hope employees will see a savings in taxed income by enrolling in the Section 125 Plan. This will help off-set the health insurance premium increase for the 2026 calendar year.

Thank you –

Melissa Pilch

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Section 125 Plan

Election to Participate

Employer Name: LaSalle County

Employee Name: _____

Employee Address: _____

Employee Social Security Number: _____

Plan Year: 1/1/2026 – 12/31/2026

As an eligible employee in the above plan, I acknowledge I have received the Summary Plan Description. I have read the Summary Plan Description and understand the benefits available to me, as well as, the other rights and obligations which I have under the Plan.

In accordance with my rights under the Plan, I elect the following benefits and designate the following amounts for each benefit I have selected for the plan year specified above. The Employer and I agree my cash compensation will be redirected by the amounts set forth below for each pay period and plan year (or during such portion of the year as remains after the date of this agreement).

Election for Benefits

On the appropriate benefit enrollment form(s), I have enrolled for certain insurance coverages.

I elect to receive the following coverage under the Section 125 plan:

Health Insurance Benefit

Dental Insurance Benefit

Vision Insurance Benefit

North Central Illinois Laborer's Health & Wellness Fund Insurance Benefit

In lieu of specified dollar amounts, I hereby elect the specified insurance coverages and authorize salary redirections in the amounts of current premiums being charged.

I understand that if my required contributions to pay premiums for the elected benefits are increased or decreased while this agreement remains in effect, my compensation redirection will automatically be adjusted to reflect that increase or decrease.

Other Terms and Conditions

I understand that:

- I cannot change or revoke any of my elections or this compensation redirection agreement at any time during the plan year unless I experience a qualifying life event including marriage, divorce, death of a spouse or dependent, birth or adoption of a child, termination or commencement of employment of a spouse, change in my or my spouse's employment status from full-time to part-time or from part-time to full-time, my spouse or I taking an unpaid leave of absence, a substantial change in my family's health coverage due to a change in my spouse's employer sponsored health coverage, or such other events as the Plan Administrator determines will permit a change or revocation of an election.
- The Plan Administrator may redirect or cancel my compensation redirection or otherwise modify the agreement in the event it is believed it is advisable in order to satisfy certain provisions of the Internal Revenue Code.
- The redirection in my cash compensation under this agreement shall be in addition to any reductions under other agreements or benefit programs maintained by my Employer.
- Any amounts that are not used during a plan year to provide benefits will be forfeited and may not be paid to me in cash or used to provide benefits specifically for me in a later plan year.
- Prior to the first day of each plan year, during open enrollment, I will be offered the opportunity to change my benefit elections for the following plan year. If I do not complete and return a new election form at that time, I will be treated as having elected to continue my benefit elections then in effect for the new plan year. In addition, this compensation redirection agreement will continue by its terms in the amount of the required contribution for the benefit option.

This agreement is subject to the terms of the Employer's Section 125 Plan, as amended from time to time in effect, shall be governed by and construed in accordance with applicable laws, shall take effect as a sealed instrument under applicable laws, and revokes any prior election and compensation redirection agreement relating to such plan.

Employee's signature _____ **Date** _____