

2.4 Group Health Insurance

Insurance: businesses offer to pay part of the insurance costs or premium, employee will pay the remaining. This plan costs less than individual plans

$$\left(\begin{array}{l} \text{Annual} \\ \text{Amount} \end{array} \right) \left(\begin{array}{l} \text{Employee's} \\ \text{Percent} \end{array} \right) = \begin{array}{l} \text{Employee's} \\ \text{Share} \end{array}$$

$$\begin{array}{l} \text{Deduction Per} \\ \text{Pay Period} \end{array} = \frac{\text{total annual amount per year}}{\text{Number of pay periods per year}}$$

Steps

① Find your percent

$$\begin{array}{r} 100 \\ - \text{ given percent} \\ \hline \end{array}$$

② multiply our percent by annual amount

③ divide answer from step 2 by amount paid per year

Jason works for a construction company in Atlanta. He has medical coverage through the company. The annual cost of the insurance plan \$9,800. The company pays 75% of the cost. How much does he have deducted from his biweekly paycheck.

$$\begin{array}{r} 100 \\ - 75 \\ \hline 25\% \end{array}$$

$$\textcircled{2} (\text{annual cost}) (\text{your percent}) = \text{Year total}$$

$$(9800) (25\%) =$$

$$(9800)(.25) = \$2450$$

$$\textcircled{3} \frac{2450}{26} = \boxed{\$94.23}$$

Hank works for a veterinary clinic. He has medical coverage through the company. The annual cost of the insurance plan \$7,500. The company pays 65% of the cost. How much does he have deducted from his bi-weekly paycheck?

$$\begin{array}{r} 100 \\ - 65 \\ \hline 35\% \\ \boxed{.35} \end{array}$$

$$(7500)(.35) = \$2625$$

$$\frac{2625}{26} = \boxed{\$100.96}$$

Carly's job pays for part of her health insurance. Her company offers to pay for 55% of her health insurance. If she pays \$23.50 from her bi-weekly pay check, how much is her annual cost?

$$\begin{array}{r} 100 \\ -55 \\ \hline .45 \end{array}$$

$$(X)(.45) = Y$$

$$\frac{Y}{26} = 23.50(26)$$

$$Y = \$611$$

$$\frac{(X)(.45)}{.45} = \frac{611}{.45}$$

$$X = \$1,357.77$$

Lee's job pays for part of his health insurance. His company offers to pay for 40% of his health insurance. If he pays \$10.50 from his weekly pay check, how much is his annual cost?

$$\frac{100}{40} = \frac{Y}{.60}$$

$$(X)(.60) = Y$$

$$\cancel{(52)} \frac{Y}{\cancel{52}} = 10.50 \cancel{(52)}$$

$$Y = \$546$$

$$\frac{(X)(.60)}{.60} = \frac{546}{.60}$$

$$X = \$910$$

