

ABC Company Employee Benefits Enrollment Guide



PLAN YEAR | **2010**

Welcome to Open Enrollment for your 2010 Benefits!

[sample text]

Elections you make during open enrollment will become effective [insert date].

ABC Company offers you and your eligible family members a comprehensive and valuable benefits program. We encourage you to take the time to educate yourself about your options and choose the best coverage for you and your family.





Who is Eligible?

[sample text] If you are an ABC Company full-time employee (working 30 or more hours per week) you are eligible to enroll in the benefits described in this guide. The following family members are eligible for medical, dental coverage: [Insert dependent coverage information].



How to Enroll

[sample text] The first step is to review your current benefit elections. Verify your personal information and make any changes if necessary. Make your benefit elections. Once you have made your elections, you will not be able to change them until the next open enrollment period unless you have a qualified change in status.



When to Enroll

[sample text] The open enrollment period runs from [insert date] through [insert date]. The benefits you elect during open enrollment will be effective from [insert date] through [insert date]



How to Make Changes

[sample text] Unless you have a qualified change in status, you cannot make changes to the benefits you elect until the next open enrollment period. Qualified changes in status include: marriage, divorce, legal separation, domestic partnership status change, birth or adoption of a child, change in child's dependent status, death of spouse, child or other qualified dependent, change in residence due to an employment transfer for you, your spouse or domestic partner, commencement or termination of adoption proceedings, or change in spouse's or domestic partner's benefits or employment status.

What's New for 201 _?



[Insert/Highlight Major Changes for this year.]

- ✓ Medical
- ✓ Dental
- ✓ Vision

Medical and Prescription Drugs

Sample text: Several changes have been implemented to our medical and prescription drug benefits for the upcoming plan year January 1 to December 31, 2010. Our HMO plan no longer requires you to select a primary care physician or secure a referral from one provider to another. As a reminder, the plan does not provide coverage when you use out-of-network providers. Our PPO plan allows you the freedom to use providers in and out-of-network. The following chart compares our current benefits to the new benefits that will take effect January 1, 2010.

Services	HMO		PPO	
	Current	As of Jan.1, 201X	Current	As of Jan. 1, 201X
Physician Visit				
Deductible - Individual - Family				
Hospitalization				
Preventive Care				
Emergency Room				
Out-of-Pocket Max - Individual - Family				
Prescription Drugs - Retail/Mail Order - Generic - Preferred - Non-Preferred				

Your Cost in 201X

Sample text: ABC Company is pleased to announce there will be no premium increase passed on to you for the new plan year. Bi-weekly payroll deductions will remain as shown.

EMPLOYEE BI-WEEKLY DEDUCTIONS				
	Employee Only	Employee & Spouse	Employee & Children	Employee & Family
HMO	\$	\$	\$	\$
PPO	\$	\$	\$	\$

Dental

Sample text: There are no plan or cost changes to your dental benefits or cost in 2010. ABC Company's plan allows you to seek treatment from the dentist of your choice.

Services	Amount You Pay
Preventive Services	Exams, cleanings, x-rays – [insert benefit amount or coinsurance]
Deductible	Applies to basic and major services only – [insert benefit amount or coinsurance]
Basic Services	Fillings, simple extractions – [insert benefit amount or coinsurance]
Major Services	Oral surgery, root canal, crowns – [insert benefit amount or coinsurance]
Annual Maximum	[insert annual maximum amount]
Bi-Weekly Deduction	Employee only – \$ Employee & Spouse – \$ Employee & Child – \$ Family – \$

Vision

Sample text: When you are enrolled in our medical plan you also receive vision benefits. If you utilize the services of a provider listed in the Preferred Provider Directory, your benefits include routine vision exams for a \$25 co-pay, and preferred pricing on a large selection of brand-name, designer frames, lenses, and lens options.

Disability Income Benefits

Sample text: ABC Company provides full-time employees with short and long-term disability income benefits, and pays the full cost of this coverage. In the event you become disabled from a non work-related injury or sickness, disability income benefits are provided as a source of income. You are not eligible to receive short-term disability benefits if you are receiving workers' compensation benefits.

	Short-term Disability	Long-term Disability
Benefits Begin		
Benefits Payable		
Percentage of Income Replaced		
Maximum Benefit		

Basic Life Insurance

Sample text: ABC Company provides full-time employees with \$15,000 group life and accidental death and dismemberment (AD&D) insurance, and pays the full cost of this benefit. Contact Human Resources to update your beneficiary.

Voluntary Life Insurance

Sample text: Employees who want to supplement their group life insurance benefits may purchase additional coverage. When you enroll yourself and/or your dependents in this benefit, you pay the full cost through bi-weekly payroll deductions. You can purchase coverage on yourself and your spouse in \$10,000 increments. Minimum coverages is \$20,000 and maximum coverage is \$300,000.

Monthly Cost for Each \$1,000 of Employee & Spouse Life Insurance Coverage										
Age	<30	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70 +
Life										
AD&D										
Dependent Children	[Describe benefit & monthly cost]									

Health Care and Dependent Care Flexible Spending Accounts

Sample text: ABC Company provides you the opportunity to pay for out-of-pocket medical, dental, vision, and dependent care expenses with pre-tax dollars through the Flexible Spending Accounts. You must enroll/re-enroll in the plan to participate for the plan year January 1 to December 31, 2010. You can save approximately 25% of each dollar spent on these expenses when you participate in a FSA.

A health care FSA is used to reimburse out-of-pocket medical expenses incurred by you and your dependents. A dependent care FSA is used to reimburse expenses related to care of eligible dependents while you and your spouse work.

Contributions to your FSA come out of your paycheck before any taxes are taken out. This means that you don't pay federal income tax, Social Security taxes, and state and local income taxes on the portion of your paycheck you contribute to your FSA. You should contribute the amount of money you expect to pay out of pocket for eligible expenses for the plan period. If you do not use the money you contributed it will not be refunded to you or carried forward to a future plan year. This is the use-it-or-lose-it rule.

The maximum that you can contribute to the Health Care Flexible Spending account is set by your employer.

The maximum that you can contribute to the Dependent Care Flexible Spending Account is \$5,000 if you are a single employee or married filing jointly, or \$2,500 if you are married and filing separately.

The following example shows how you can save money with a flexible spending account.

Bob and Jane's combined gross income is \$30,000. They have two children and file their income taxes jointly. Since Bob and Jane expect to spend \$2,000 in adult orthodontia and \$3,300 for day care next plan year, they decide to direct a total of \$5,300 into their FSAs.

	Without FSAs	With FSAs
Gross income:	\$30,000	\$30,000
FSA contributions:	0	-5,300
Gross income:	30,000	24,700
Estimated taxes:		
Federal	-2,550*	-1,755*
State	-900**	-741**
FICA	-2,295	-1,890
After-tax earnings:	24,255	20,314
Eligible out-of-pocket		
Medical and dependent care expenses:	-5,300	0
Remaining spendable income:	\$18,955	\$20,314
Spendable income increase:		\$1,359

*Assumes standard deductions and four exemptions.

**Varies, assume 3%.

The example above is for illustrative purposes only. Every situation varies and we recommend that you consult a tax advisor for all tax advice.

Health Savings Accounts (HSA)

If you participate in the ABC Company high deductible health plan, you can set aside money in a Health Savings Account (HSA) before taxes are deducted to pay for eligible medical, dental and vision expenses. An HSA is similar to a flexible spending account in that you are eligible to pay for health care expenses with pre-tax dollars. Some of the advantages of an HSA is that the money in an HSA can be invested much like 401(k) funds are invested. Unused money in an HSA account is not forfeited at the end of the year and is carried forward. Also, your HSA account is yours to keep which means that you can take it with you if you change jobs or retire. If you have any money remaining in your HSA after your retirement, you may withdraw the money as cash.

The maximum amount that you can contribute to a HSA is \$3,050 in 2010 for individual coverage and \$6,150 in 2010 for family coverage. Additionally, if you are age 55 or older, you may make an additional “catch-up” contribution of \$1,000.

Additional Benefit Offerings

As an ABC Company employee, you also receive the following benefits paid for by the company:

[list additional employer paid benefits here]

You are also eligible to enroll or participate in the following voluntary programs:

[list voluntary programs here]

The information in this Enrollment Guide is presented for illustrative purposes and is based on information provided by the employer. The text contained in this Guide was taken from various summary plan descriptions and benefit information. While every effort was taken to accurately report your benefits, discrepancies or errors are always possible. In case of discrepancy between the Guide and the actual plan documents the actual plan documents will prevail. All information is confidential, pursuant to the Health Insurance Portability and Accountability Act of 1996. If you have any questions about your Guide, contact Human Resources.

Questions & Answers

Changes that can be made effective January 1, 201X:

- ◆ Sample text:
- ◆ Change medical plans (i.e., HMO to PPO, or PPO to HMO).
- ◆ Enroll or terminate individual and/or dependent coverage in the medical/dental plans.
- ◆ Enroll in the Flexible Spending Account Plan.
- ◆ Enroll in the Pre-Tax Insurance Premium Plan.
- ◆ Add or make changes to the Voluntary Life and AD&D plan.

Forms to be completed if making changes:

- ◆ Sample text:
- ◆ Medical & Dental Enrollment/Change Form to change medical plans or individual/dependent coverage levels in the medical/dental plans.
- ◆ Voluntary Life and AD&D Enrollment and/or Medical Underwriting Form.

What Forms **MUST** be completed?

- ◆ Sample text:
- ◆ Flexible Spending Account Enrollment Form/Direct Deposit Form — to enroll, re-enroll, or waive enrollment for the new plan year January 1 to December 31, 2010.
- ◆ The Pre-Tax Insurance Form must be completed by everyone. You must elect to participate to continue having your medial and dental premiums withheld on a pre-tax basis

Where do I find these forms?

- ◆ Sample text: Contact Human Resources for all forms.

When are the forms due and where do I return them?

- ◆ Sample text: All forms are due by **[insert due date]** and must be returned to Human Resources.

Who do I contact with questions?

- ◆ Sample text: Contact Human Resources with any questions you may have.

Other Information:

- ◆ Sample text:
- ◆ New elections must be made to the Flexible Spending Account to continue participation.
- ◆ If you do not make changes to your current medical and dental elections, those elections will remain the same for the plan year January 1 to December 31, 2010.

Benefit Meetings		
Date	Time	Location