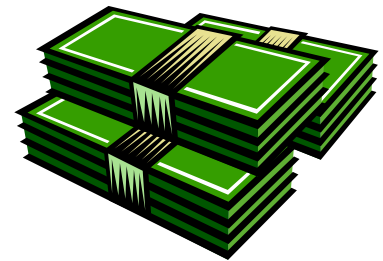


# Make the Most of Your Employee Benefits

Are you confused about selecting your employee benefits? Join the crowd! These products and services are designed to help us minimize financial risk. However; many of us have limited knowledge of how they work. Benefits vary from employer to employer. Take some time to learn about the benefits offered by your employer, and then incorporate the planning tool on the reverse.

## **Health Benefit Plans: How much financial risk are you willing to take?**

Think critically about your employer sponsored health insurance before you decline it, hoping to save that monthly premium. How will you cover medical costs if you are underinsured? The cost of employer sponsored health and/or prescription insurance is generally split between employer and employee. The trend is toward higher deductibles and lower premiums, putting the burden of saving for those deductibles squarely on your shoulders.



Evaluate your need for additional health benefits such as dental or vision, additional life or accident insurance. For example: If your teeth are healthy and you see the dentist twice a year for cleaning and the occasional cavity, it may be cheaper to pay directly.

**Tip:** Attend your employer sponsored education programs and/or benefit fairs to learn about the advantages of each product or service offered, or call your HR benefits representative with questions.

## **Employer Sponsored Retirement Plans: Are you in or out?**

The U.S. retirement system is shifting more and more from employer paid pension plans to employer sponsored, employee managed defined benefit plans such as 401(k). Ask yourself how much money you will need in addition to your Social Security benefits. How much have you already saved, and at what age do you hope to retire? If your employer offers a retirement plan with a match, plan to save at least the amount required for the maximum match. Even if a match is not offered, plan an amount and take advantage of the opportunity to save regularly. There are penalties for early withdrawal so remember: *what's saved for retirement stays for retirement.*



**Tip:** Go to [www.choosetosave.org](http://www.choosetosave.org) and click on the “Ballpark Estimate” tool to figure your retirement goals and the amounts you need to save. Check out your Social Security benefits annual statement (mailed to you about three weeks before your birthday) for the age at which you can collect full benefits and the amount of your estimated future payments.

**For more information, contact Consumer Credit Counseling Service.  
Call us at (605) 330-2700 or (888) 258-2227(CCCS), or check out our  
Web site at [www.lsssd.org](http://www.lsssd.org).**

**Cafeteria/Flex Spending Accounts: Tax free savings puts more dollars in your pocket.** Consider the following example: Suppose you are taxed in the 20% bracket. By taking advantage of your flex plan, having this money deducted pre-tax from each check and then retrieving those amounts as needed, you have saved \$1,375.

Annual Health or Dependent Care Expense	Cost Without Flex Account	20% Pre Tax Savings	Cost With Flex Account
Dr. Co-pays	\$200	\$40	\$160
Prescription co-pays	\$150	\$30	\$120
Dental Expenses	\$200	\$40	\$160
Vision (contacts)	\$250	\$50	\$200
Over-the-counter meds Allergy tablets - contact solution	\$75	\$15	\$60
Childcare expenses	\$6,000	\$1,200	\$4,800
Totals	\$6,875	\$1,375	\$5,500

**Tip:** Obtain a list of reimbursable items from your HR representative and estimate the amounts to have deducted from your check prior to “open enrollment.”

At every stage of life or employment, it is important to assess your benefits. Don't avoid thinking about it any longer, just do it! Your financial future may hinge on your decision to plan ahead. Check with your HR Department to determine the benefits offered by your company then evaluate which ones to fit into your overall spending and savings plan.

Availability	Annual Cost	Rank Importance
Health insurance		
Prescription Insurance		
Dental insurance		
Vision insurance		
Optional life insurance		
Accident and/or cancer insurance		
401(k) - 403(b)		
Employer match - retirement plan		
Purchased vacation days		
Flex Spending (Savings) Account		
Other		
Other		

**Tip:** Don't discount the importance of your other employer paid benefits to the financial health of your family. They are a significant part of your overall compensation.

Paid vacation - Sick leave policy - Disability insurance - EAP services - Pension - Life insurance  
 Financial or Investment Education - Financial counseling - Tuition reimbursement  
 MAP mortgage loan assistance - Automatic savings plan - Fitness membership or discounts

For more information about CCCS financial education to plan your monthly saving and spending or counseling services to help get your debt under control, call toll free: 888-258-2227 or 370-2700. **We plan to help.**