

# Missouri

Plan Year:

[americanfidelity.com](http://americanfidelity.com)

## Benefits Overview

 American Fidelity  
Assurance Company  
Our Family, Dedicated To Yours.®

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*For more information, contact your  
American Fidelity Account Representative.*

# Section 125 Plan

## YOUR SECTION 125 CAN SAVE YOU MONEY!

### SECTION 125

If there was a program available that could dramatically save you money on your taxes, would you take advantage of it? That's exactly what the Section 125 Plan does – reduces your taxes and increases your spendable income.

### HOW THE PLAN WORKS

The Section 125 Plan allows you to deduct the cost of eligible benefits from gross earnings before taxes. Plus, the plan is available to you at no cost and you're already eligible – all you have to do is enroll!

By implementing this plan, your employer is helping you reduce your taxes and increase your spendable income.

### SEE HOW MUCH YOU COULD SAVE

The savings an employee may experience under the Section 125 Plan is illustrated in the example below.

By utilizing the Section 125 Plan, this employee would have \$70 more per month to apply toward needed insurance benefits or spendable income. Annually, this would be an increase of \$840.

Employee Name: Doe, John  
Social Security #123-45-6XXX  
Employee Number: 3839

Payment Date: 1/12/10  
Period Begin Date: 1/1/10

| Earnings & Hours              | Without S125   | With S125      |
|-------------------------------|----------------|----------------|
| Monthly Salary                | \$2,000        | \$2,000        |
| Medical Expenses              | N/A            | -\$250         |
| <b>Taxable Gross</b>          | <b>\$2,000</b> | <b>\$1,750</b> |
| Taxes (Federal & State @ 20%) | -\$400         | -\$350         |
| Less Estimated FICA (7.65%)   | -\$153         | -\$133         |
| Medical Deductions            | -\$250         | N/A            |
| <b>Take Home Pay</b>          | <b>\$1,197</b> | <b>\$1,267</b> |

*\*Where allowable by law. If you are subject to FICA taxes, there might be a reduction in your social security benefit due to the reduction of FICA contributions. Example is hypothetical for illustrative purposes only. Please consult your tax advisor for actual tax savings.*

### HOW TO ENROLL

To enroll in the Section 125 Plan, simply complete an election form to enroll and take advantage of paying for eligible premiums on a pre-tax basis. You will be notified in advance when it's time to enroll. In most cases, you must re-enroll each year to continue your participation in the Section 125 Plan.

### HOW TO MAKE CHANGES TO YOUR ELECTION

While you can make changes to your election each year during annual enrollment, the only time regulations will allow you to make a change during the plan year is if you experience an allowable election change event.

Some examples of an allowable election change event include:

- Change in legal married status
- Change in number of dependents
- Termination or commencement of employment
- Dependent satisfies or ceases to satisfy dependent eligibility requirements
- Change in residence or worksite that affects eligibility for coverage

*These examples may not be all-inclusive. Please contact your employer for guidance with your specific situation.*

**WOW!**  
**That's a difference**  
**of \$70!**

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# Dependent Day Care and Health FSAs

Enjoy a money-saving way to pay for eligible medical or dependent care expenses with a Flexible Spending Account (FSA) that deducts pre-tax dollars from your paycheck. Simply choose the amount to be deducted, and the funds are set aside to be used for eligible expenses throughout the year. You can choose from two accounts, and both are offered to you at no charge.

## HOW THE ACCOUNTS WORK

A **Dependent Day Care Flexible Spending Account (FSA)** allows you to set aside pre-tax dollars to reimburse yourself for incurred eligible dependent care expenses. Because your money goes into the account before income taxes are withheld, you pay less in taxes, and ultimately have more disposable income. You may allocate up to \$5,000 per tax year for reimbursement of eligible dependent care services (or \$2,500 if you are married and file a separate tax return).

A **Health Flexible Spending Account (FSA)** (also known as an Unreimbursed Medical Account) can save you money by allowing you to set aside part of your pay, on a pre-tax basis, to reimburse yourself for eligible medical expenses such as copayments, medical deductibles, prescriptions, and more. Expenses incurred for you, your spouse, and other qualifying individuals are eligible for reimbursement. The maximum amount allowed to contribute into this account is \$2,550 per calendar year. (Please see your employer for the maximum amount allowed under your plan.)

## ELIGIBLE EXPENSE EXAMPLES

- Acupuncture
- Alcohol/drug rehab
- Anesthetist
- Artificial limbs/teeth
- Chiropractor
- Dental care
- Eye exam/eyeglasses/contact lenses
- Hearing aids/batteries
- Insulin
- In vitro fertilization
- Laser eye surgery
- Midwife
- Optometrist
- Orthodontia\*
- Out-patient care
- OTC drugs and medicines for treatment of a medical condition\*\*
- Pediatrician
- Physical therapy provided by licensed therapist
- Practical nurse
- Psychiatrist
- Psychologist
- Stop-smoking program
- Transportation expenses relative to medical care based on IRS standard mileage allowance
- Weight loss program for obesity\*\*\*

## INELIGIBLE EXPENSE EXAMPLES

- Capital expenditures
- Cosmetic procedures
- Exercise equipment
- Insurance premiums
- Mattresses/pillows
- Personal use items
- Teeth whitening

\* Service must have been incurred or already paid.

\*\* Will require a medical practitioner's prescription.

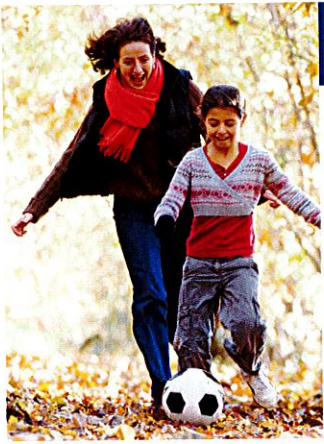
\*\*\* May need doctor's statement for medical necessity.

If you are interested in participating in either of these accounts, we will be happy to set up your account for direct deposit. You can either have your reimbursement directly deposited into your checking account or receive a check in the mail – the choice is yours.

If you do not file sufficient claims for reimbursement, you may lose the unused amount remaining in your account at the end of the plan year. This is often referred to as the "use-or-lose" rule. Your employer can choose to offer a carryover of up to \$500 each plan year OR a grace period, which is a period of time after the plan year ends during which you may incur expenses and be reimbursed from the remaining balance in your previous year's Health FSA.

File your  
claims online.

Sign up for direct  
deposit today!



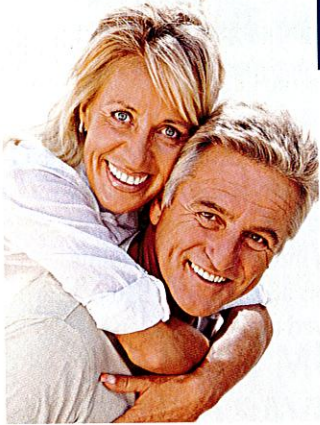
## Accident Only Insurance

Whether you are a weekend warrior with an active lifestyle or the stay-at-home type, accidents can happen anytime, anywhere, without warning. Being prepared for the unexpected can make all the difference.

American Fidelity's Limited Benefit Accident Only Insurance plan is designed to help cover some of the expenses that can result from a covered accident, and benefit payments are made directly to you.

*Limitations, exclusions, and waiting periods may apply. Not all products and benefits may be available in all states. **This product is inappropriate for people who are eligible for Medicaid coverage.***

SB-29486-0114



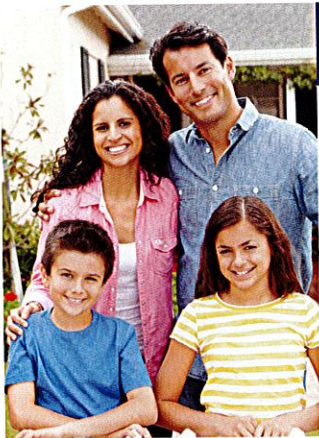
## Cancer Insurance

The expenses associated with a cancer diagnosis can be overwhelming. Even with a good medical plan, the out-of-pocket costs of cancer treatment, such as travel, child care, and loss of income, can be expensive.

American Fidelity's Limited Benefit Cancer Insurance offers a solution to help so you can focus your attention on your treatment and healing. We offer a plan that may assist with out-of-pocket costs often associated with a covered cancer diagnosis, and we provide the money directly to you, to be used however you see fit.

*Limitations, exclusions, and waiting periods may apply. **This product is inappropriate for people who are eligible for Medicaid coverage.***

SB-29490-0114



## Disability Income Insurance

If your paycheck suddenly stopped today, could you afford to pay for your mortgage, car payments, food, and other monthly expenses? How could you maintain your current lifestyle?

American Fidelity knows one of the most important assets a person possesses is their ability to earn an income. Our Disability Income Insurance is a cost-effective solution designed to help protect you if you become disabled and cannot work due to a covered injury or sickness.

*Limitations, exclusions, and waiting periods may apply. Applicant's eligibility for this program may be subject to insurability.*

SB-29492-0114



## Life Insurance

It is impossible for life insurance to emotionally compensate for a loss, but it may help ease the financial obligations placed on your loved ones.

American Fidelity's portable life insurance policies can help your family in the event of your death. They have a simplified application process, minimal health questions\*, and no required medical exams.\*

*\*Issuance of the policy may depend upon the answers to the health questions, Limitations, exclusions, and waiting periods may apply. Not generally qualified benefits under Section 125 Plans.*

SB-29502-0114