

Benefits Overview



MSD of Decatur Township

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

Todd Caston

Senior Account Executive

Indiana Branch Office

8770 Guion Road, Suite R

Indianapolis, IN 46268

800-638-4268 • 317-871-2480 , Ext. 223

americanfidelity.com

 **American Fidelity
Assurance Company**

Our Family, Dedicated To Yours.®

Section 125 Plan

NEW HIRE BENEFIT OVERVIEW

SECTION 125 BENEFIT SUMMARY PLAN SUMMARY

1. Pre-Tax Medical Insurance Premiums

If you pay for all or a portion of your medical, dental, or vision insurance premiums through the district, you may pre-tax that amount, saving you approximately 25 percent on that money in taxes.

2. Health Flexible Spending Account & Dependent Day Care Accounts

If you pay for dependent care, medical, dental, vision, or additional qualified medical expenses that are not covered by insurance, you may be able to establish a tax-free account to pay for those expenses.

3. Improve Your Total Benefit Package

You may add certain insurance policies to improve your overall benefit package. Some premiums may be pre-taxed, saving even more dollars while improving your protection.

*American Fidelity,
providing financial
security solutions
to educational
communities for
more than 50 years.*

WELCOME, NEW EMPLOYEES!

The MSD of Decatur Township benefit program includes a Section 125 Benefit Plan. This plan allows you, as a benefit-eligible employee, to use pre-tax dollars to pay for qualified benefits. By participating in this plan, you reduce your taxes and increase your spendable income.

This is an excellent opportunity for you to review your complete benefit plan to ensure it is on track with your expectations and individual needs, as this is time invested in your future.

An interest form is attached for you to check areas of interest and return, and an American Fidelity Representative will contact you to discuss the benefits in which you are interested.

Sincerely,

Todd Caston, Senior Account Executive
American Fidelity Assurance Company

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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 \$2,500 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

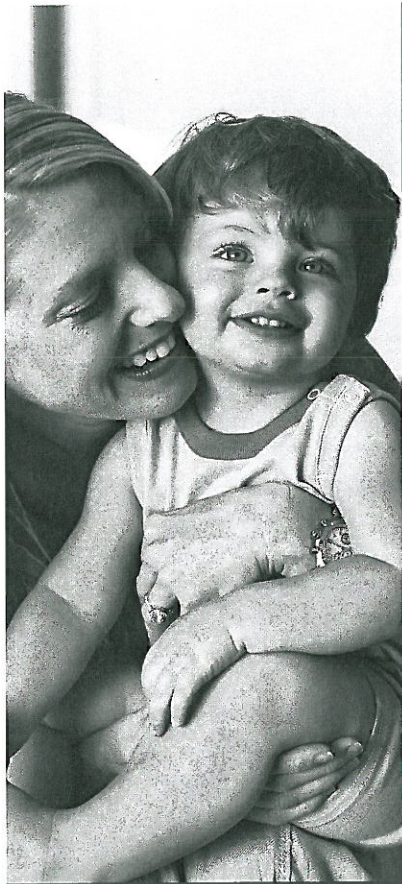
* Service must have been incurred or already paid.

** 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!

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
Taxable Gross	\$2,000	\$1,750
Taxes (Federal & State @ 20%)	-\$400	-\$350
Less Estimated FICA (7.65%)	-\$153	-\$133
Medical Deductions	-\$250	N/A
Take Home Pay	\$1,197	\$1,267

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!

**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.*

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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.

HOW THE PLAN WORKS

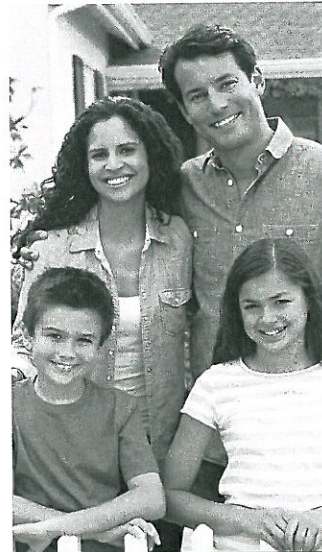
This plan provides 24-hour coverage for accidents that occur both on and off the job. With more than 25 available benefits, this plan pays for a wide range of benefits and can help offset the financial cost of medical expenses.

FEATURES:

- **Four Coverage Options**
Choose the coverage that best fits your lifestyle and financial needs.
- **Wellness Benefit**
The plan pays an annual Wellness Benefit for one Covered Person to receive their routine physical exam, including immunizations and preventive testing.
- **Accidental Death and Dismemberment Benefit**
The plan pays a benefit when an Accidental Death or Dismemberment occurs within 90 days of a covered accident.

*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-29441-0114



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.

HOW THE PLAN WORKS

If you become disabled due to a covered injury or sickness, Disability Income Insurance will pay a percentage of your gross monthly income once you have satisfied the elimination period. Disability benefits will be payable up to the benefit period stated in your policy.

FEATURES

- **Multiple Elimination Periods**
Based on your individual need, you can select from multiple elimination periods.
- **Waiver of Premium Benefit**
Premiums are not required while you are disabled based on the length of your disability.
- **Return to Work Benefit**
This allows you to return to work, on a part-time basis, and still receive a portion of the benefit.
- **Accidental Death Benefit**
Your beneficiary will receive a lump sum payment if you die within the period stated in your policy as a result of an accidental injury.

These products may contain limitations, exclusions, and waiting periods. Applicant's eligibility for this program may be subject to insurability.

SB-29447-0114



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.

HOW THE PLAN WORKS

This plan is specially designed to help with a portion of the costs of cancer, with more than 25 plan benefits available for cancer treatment.

FEATURES

- **Preventative Care Benefit**
Receive an annual benefit for undergoing a routine cancer screening test, which can help with early detection.
- **Three Coverage Options**
Choose from Individual, Single Parent Family, and Family coverage. You choose the coverage that best fits your lifestyle and financial needs.
- **Plan Enhancements***
You may be able to enhance your base plan by adding optional riders, such as a Critical Illness Rider.

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

SB-29445-0114



Critical Illness Insurance*

Surviving a critical illness, such as a heart attack or stroke, can come at a high price. Even with medical insurance, the out-of-pocket expenses associated with a critical illness can affect anyone's finances.

American Fidelity's Limited Benefit Critical Illness Insurance plan can assist with the expenses that may not be covered by standard medical insurance, allowing you and your family to focus on what matters the most – your recovery.

HOW THE PLAN WORKS

If you are diagnosed with a covered Critical Illness, such as a heart attack or stroke, this plan is designed to pay a lump sum benefit amount to help cover expenses.

FEATURES:

- **Health Screening Benefit**
Receive an annual benefit for undergoing one covered health screening test per year, such as a stress test, echo cardiogram, blood glucose testing, or up to five other routine tests.
- **Three Benefit Amount Options**
Choose from a coverage amount of \$15,000, \$20,000, or \$25,000 at the time of application.
- **Benefit Paid Directly to You**
Use your benefit for any expense you wish.

This product may be referred to by a different name. Limitations, exclusions, and waiting periods may apply. Not generally qualified benefits under Section 125 Plans. **This product is inappropriate for people who are eligible for Medicaid coverage.*

SB-29446-0114



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, individual life insurance policies may help your family in the event of your death. They have a simplified application process, minimal health questions*, and no required medical exams.*

HOW THE PLANS WORK

Term Life Insurance offers protection during your peak earning years and allows you choose from a 10, 20, or 30 year benefit. **Permanent Life Insurance** provides lifelong protection and the ability to accumulate cash values on a tax-deferred basis**.

FEATURES

- **Guaranteed Death Benefit**
Your death benefit is guaranteed for the life of the policy, provided premiums are paid.
- **Accelerated Death Benefit**
You can receive a portion of the chosen death benefit if you are diagnosed with a terminal condition.
- **Non-Taxable Death Benefit**
A death benefit amount that is generally tax free.**

**Issuance of the policy may depend upon the answers to the health questions. **Please consult your tax advisor for your specific situation. Limitations, exclusions, and waiting periods may apply. Not generally qualified benefits under Section 125 Plans.*

SB-29457-0114



AF Voluntary Health Solutions® Insurance

Whether you experience an in-patient hospitalization or an out-patient procedure, medical expenses can quickly accumulate.

American Fidelity's AF Voluntary Health Solutions® Insurance can assist with deductibles, coinsurance payments, and other out-of-pocket costs such as travel and child care.

HOW THE PLAN WORKS

This plan is designed to pay a daily benefit to help provide financial protection and flexible solutions for your insurance needs.

FEATURES

- **Multiple Plan Benefits**
Covers in-patient admission, intensive care unit confinement and rehabilitation facility confinement, as well as ground or air ambulance transportation.
- **Four Coverage Options**
Choose from Individual, Individual and Spouse, Single Parent Family, and Family coverage. You decide the coverage that best fits your lifestyle and financial needs.
- **Plan Enhancements**
You can elect an optional rider that provides benefits for outpatient treatments. Benefits include surgery and anesthesia, medical imaging, and emergency room care.

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

SB-29451-0214

MSD of Decatur Township

SECTION 125 FLEXIBLE BENEFIT PLAN

Interest Form for New Employees

Please mark the appropriate line and/or boxes and return to
Todd Caston:

_____ I would like more information about pre-taxing my benefits under the Section 125 Plan.

_____ I would like information about the following voluntary products.

- Accident Only Insurance*+
- Disability Income Insurance*
- Cancer Insurance*+
- Critical Illness Insurance*+
- Life Insurance**
- AF Voluntary Health Solutions® Insurance*+

_____ I would like more information on the following reimbursement accounts available through Section 125:

- Health Flexible Spending Account (Unreimbursed Medical Account) Maximum \$2,550/plan year
- Dependent Day Care Flexible Spending Account Maximum \$5,000/plan year¹

_____ I am not interested in participating in the Section 125 Plan at this time.

* These products may contain limitations, exclusions, and waiting periods.

** Not generally qualified benefits under Section 125 Plans.

+ This product is inappropriate for people who are eligible for Medicaid coverage.

¹Maximum \$2,500 if you are married and file a separate tax return.

I would like to be contacted by American Fidelity Assurance Company to learn more about American Fidelity's products and services. With my signature below, I understand that a representative will call me to schedule my appointment and/or discuss my benefit options.

Print Name

Signature*

Date

Work Phone

Home Phone

Job Location

Classified/Certificated/Management

Date of Hire

**With my signature, I consent to being contacted, including by phone, regardless of my status on any Do Not Call list.*

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