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Notice:

* Open Enrollment for benefits is starting soon. Beginning October 10th, 2008 you can enroll for benefits that will become effective on January 1, 2009. Open Enrollment will end at 4:30 on November 10th. You will be getting more information soon. So be on the alert.

Spotlight Benefit—Flex Accounts

Flexible Spending Accounts (FSA) help you save money by avoiding taxes. If you are the kind of person who likes paying 30% of your income in taxes, FSAs are not for you. Otherwise, you should check them out. All you do is channel money into a special account for paying health and/or day-care expenses.

Health Spending Accounts are **pretax** (ie before Uncle Sam or Aunt Georgia gets their greedy hands on it) dollars set aside for medical expenses such as doctor and prescription copays, deductibles, dental, glasses or contact lenses, and over-the-counter drugs for you, your spouse and dependent children.

Dependent Care Accounts are pretax dollars used for daycare expenses for your eligible dependents.

Example Math: If you spend \$3,000 for orthodontia services and utilize your flexible spending account, you can expect to save about \$1,000 in taxes.

Cool Plan Characteristic: Your FSA includes a debit card. You'll be able to simply pay for co-payments for doctor visits and prescriptions, for over-the-counter medications and all allowable charges using your account debit card. No need to file a claim and wait to be reimbursed. Keep in mind that you may be asked to provide a receipt - so keep them in a safe place!

The Benefit Insider Answers Your Questions

How do I get a replacement FSA debit card? Forms for a replacement card can be obtained online at www.myprocessworks.com. Your first two cards are at no cost to you. Any additional cards will cost \$5.00 for replacement.

Can I use my debit card for Daycare expenses? If you are enrolled in the Dependent Care Account you can pay your expenses with your debit card if the daycare provider accepts major credit cards. Remember, you can only claim actual funds in your daycare account at the time you pay. If you exceed that amount by one cent, the transaction will be declined.

Can I still file claims online or by paper claim form? Absolutely! Go to www.myprocessworks.com to get the forms.

Receipts - why are they required when I've used my debit card? Debit cards are a convenient tool to speed up use of your FSA. PWI (our plan administrator) is responsible for making certain all the IRS regulations are met during the process. When you use your debit card PWI may need documentation to prove to the IRS that the charges were FSA eligible. So keep all your receipts, just in-case.

Do I need to make a new election for 2009 or will my 2008 election continue? You must make a new election for 2009. More details will be available during Open Enrollment.

Focus on State Health — Changes for 2009

State Health is implementing TWO big changes during Open Enrollment this year. Open Enrollment begins October 10th and ends November 10. We will have more details on Open Enrollment soon, but here is a preview.

1. State Health has responded to employee request and added two new rate tiers for 2009. Now there are four tiers to choose from:

- Employee only
- Employee + Spouse
- Employee + Child(ren)
- Employee + Family

This structure shares the cost more fairly among participants. Pick the tier that best suits your family circumstances to get the best deal.

2. There are two strong carriers providing plans for 2009.

Blue Cross Blue Shield plans will no longer be available. However, United Healthcare and Cigna will be offering great plan choices. The only difference between the two carriers is the doctor networks. Each carrier is offering the same plan line-up including an HMO, a PPO, and an HRA/CDHP plan. Please look at the doctors in each network when deciding which carrier to go with. See the rate sheet and read the 2009 Decision Guide for more info. Both of these will be available on the benefits section of our website during Open Enrollment.

During Open Enrollment, you must go online and make a selection or State Health will default you to the United Healthcare HRA option with all surcharges applying. The State Health Decision Guide will help you understand the various plans, so please read it carefully. Get a copy from the benefits office or go to the HCBE website to download a copy.

Keep in mind that State Health is very strict. Get your enrollment done early and keep your confirmation page to avoid problems.



Thinking Ahead: Retirement Savings and the News

The financial news today might even get Bobby McFerrin (remember the song *Don't Worry, Be Happy*?) down in the dumps! We find ourselves in a time where the economy is troubled, the stock market is down, and food and gasoline prices are up! Other than singing Mr. McFerrin's song to yourself over and over (which can make you crazy!) is there any way to get yourself feeling a bit more optimistic about money matters? Well actually, we think there is.

For folks that work at Houston County Schools, our benefits program – particularly our retirement benefits – provide more than one reason to

whistle a happy tune.

Most workers today must rely upon Social Security and their own savings to fund their retirement. Then, when they *get* to retirement, they have only Medicare or expensive personal insurance to cover their medical care. Not a pretty picture.

At HCBE, we have the strength of TRS, PSERS (whose participants can receive matching Board contributions when they save for retirement) and nearly everyone can continue medi-

At HCBE, we have the strength of TRS, PSERS, and State Health to support our retirement.

cal coverage through State Health at a fraction of the actual cost. The lion's share of these benefits are funded by HCBE!

In the coming months, we'll provide additional information about retirement – how to plan, how to save and invest wisely, things to watch out for. In the meantime, remember that our Benefits Department stands ready to help you with retirement planning and processing your retirement application when you're ready.

As Chris Gibson and Pam Hooper like to say, "if you're worried, call me, I'll make you happy!"