

## Concerned About Health Care Expenses?

**NCFlex Can Help!**

In hard times, you need to **stretch a dollar** as far as possible. The **NCFlex Health Care Flexible Spending Account (HCFSA)** can help you do just that. A set

amount of money that you decide on is automatically taken out of your paycheck and deposited into your HCFSA. You can use this money to pay for eligible health care expenses. When you use the **NCFlex Convenience Card**, you'll have **instant access to the funds** in your HCFSA, making it even more convenient. Don't believe us? **Just ask Joe.**

### Only Stash the Cash You Need

Be sure to **estimate** how much you put in your HCFSA **conservatively**. Under IRS regulations, if you don't use all of the money set aside in your HCFSA, the **unused funds** will be **forfeited**. So use everything in your HCFSA to cover all your eligible expenses **through December 31, 2010.**

**New Benefit!**

**NEW:** Be sure to enroll for **\$10,000** of **Core Accidental Death & Dismemberment Coverage (AD&D)** at no cost to you.



### Joe's Woes

Meet Joe—a husband and father of two—who is enrolled in the North Carolina State Health Plan's (SHP) "Standard Plan." His wife, Sarah, was recently laid off from her job, leaving him as the family's only source of income. Joe's son is a diabetic and requires regular medical care. Joe's daughter recently got braces, too. These things, coupled with Sarah's high blood pressure, make it hard for Joe to afford health care coverage for his family. Joe does the math—and it isn't pretty!

Health Care Expenses	Joe's Annual Out-of-Pocket Expenses
<b>Health Plan Deductible</b>	\$1,800 (Family)
<b>Doctor's Office Visits Copays</b>	\$375 (15 visits x \$25 copay)
<b>Prescription Drug Copays</b>	\$250 (25 Rx x \$10 copay)
<b>Routine Physical/Exams Copays</b>	\$100 (4 visits x \$25 copay)
<b>Over-the-Counter Drugs</b>	\$100
<b>Dental Care/Orthodontia</b>	\$1,500
<b>Vision Exam Copay</b>	\$20 (copay under NCFlex Vision Plan)
<b>Diabetic Supplies</b>	\$120 (12 Rx x \$10 copay)
<b>Out-of-Pocket Health Care Expenses without NCFlex HCFSA</b>	<b>\$4,265</b>
<b>30% Approximate Tax Savings</b>	<b>– \$1,280</b>
<b>Out-of-Pocket Health Care Expenses with NCFlex HCFSA</b>	<b>\$2,985</b>

### The Right Move for Joe

After realizing how much he will be spending on health care costs for the year, Joe decides to enroll in the HCFSA. **Joe has access to all of the money he plans on putting in his HCFSA on January 1, even though it has not yet been deducted from his paychecks**, and he can be reimbursed for his family's health care expenses as they occur throughout the year. The money Joe deposits into his HCFSA is deposited on a pre-tax basis, meaning these deposits are not taxed! This stretches his health care dollars. On average, Joe saves \$0.30 in taxes for every \$1.00 he contributes to his HCFSA.

- The SHP's plan year (July 1-June 30) is different from NCFlex's (January 1- December 31). Carefully estimate your contributions to ensure you have enough in your HCFSA to cover health care expenses all year.
- Keep in mind that you **don't have to be enrolled in the SHP to enroll in the HCFSA**. You can be enrolled in another health plan and still have an HCFSA.

## Changes to NCFlex

**Remember  
to  
Re-enroll!**

Review your family's needs and determine if you need to change any elections for the 2010 plan year. Remember, if you don't make any changes to your elections, the same coverage you previously elected will rollover to 2010. However, you **MUST re-enroll for Flexible Spending Account (FSA) elections every year.**

**Annual Enrollment is October 5-30, 2009!** Be on the lookout for your 2010 Enrollment Guide this September.

Benefit/Vendor	Change and What It Means to You
<b>Cancer/ Allstate</b>	You are eligible to enroll in the Low Option for a one-time special Guaranteed Issue offer (no Evidence of Insurability (EOI) required), regardless of previous eligibility.
<b>Group Term Life/ ING</b>	You can increase your coverage by \$10,000 (up to \$100,000) without submitting Evidence of Insurability (EOI). If you're enrolling for the first time, you can start at a \$20,000 coverage level without submitting Evidence of Insurability (EOI).
<b>Critical Illness/ MetLife</b>	No Evidence of Insurability (EOI) required for new enrollees. Gives you the chance to enroll for coverage—no questions asked.
<b>HCFSA/ Aon</b>	Contribution limit increased to \$5,000. Offers higher pre-tax savings and more money to pay for eligible expenses.
<b>Vision/ Superior Vision</b>	Lock-out periods will be waived for participants enrolling in Plan 3.
<b>Dental/ United Concordia</b>	Rollover from an after-tax dental plan with credit towards waiting periods. NCFlex dental benefits remain the same with a rate increase.
<b>AD&amp;D/ Gerber/ AC Newman</b>	If elected, you are eligible for \$10,000 of core employee-only AD&D coverage at no cost. Simply make the election during enrollment in order to receive this no cost coverage (regardless of your current NCFlex elections).

