

## Help Stretch Benefit Dollars and Offer Additional Choices

Voluntary benefits provide vital options for today's employee benefit programs, but there are additional ways to offer your employees choices and value. Section 125, or Flexible Benefits options help stretch benefit dollars for you and for your employees and also provide employees with choices.

If you are not already familiar with Flexible Benefits, consider how it could help you enhance your benefits program.

### Premium Only Plan (POP) Administration

A POP helps enhance your employee benefits package while reducing both employer and employee taxes.

Through our marketing alliances, Colonial Life can provide you with POP administration to help ensure you are in compliance with Section 125 regulations

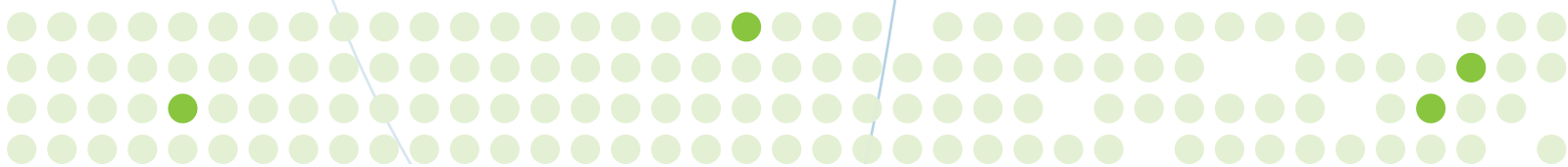
### Sample Premium Only Plan\*

	Without Flex	With Flex
Gross Pay	1000.00	1000.00
Pretaxed Reduction (Major Medical)	- 0.00	-180.00
Taxable Income	1000.00	820.00
FICA, Federal Tax and State Tax	-202.02	-156.30
Post Tax Deduction (Major Medical)	-180.00	- 0.00
Spendable Income	\$617.98	\$663.70

Savings per period \$45.72  
Total annual savings \$1,097.28

\*Based on 24 pay periods

\* Based on 2008 South Carolina Tax Tables



## Flexible Spending Accounts (FSAs)

FSAs enable employees to add pre-tax dollars to reimbursement accounts that help with the cost of qualified expenses.

### Dependent Care Reimbursement Accounts

Employees can pre-tax out-of-pocket expenses for dependent care that allow them and/or their spouses to work, such as day care expenses, after-school care expenses for children under age 13, and care for an adult dependent incapable of caring for him or herself.

### Medical Reimbursement Accounts

Employees can pre-tax out-of-pocket expenses not covered by health insurance plans. These accounts present another great way to help employees cope with the higher deductibles and co-payments of today's medical insurance plans. Examples include dental, vision, health plan co-pays, prescription drug co-pays and even some qualified over-the-counter medications.

### Sample Flexible Spending Account\*

	Before Dependent Care FSA	After Dependent Care FSA
Gross Pay	1000.00	1000.00
Pre-tax Dependent Care Reduction	- 0.00	- 110.00
Taxable Income	1000.00	890.00
FICA, Federal & State Taxes	-202.02	-173.56
Net Pay	797.98	716.44
Dependent Care Expense	- 110.00	- 0.00
Spendable Income	<b>\$687.98</b>	<b>\$716.44</b>

\* Based on 2008 South Carolina Tax Tables

Each of these options presents another way to help combat rising health care costs and provide greater value in your overall employee benefits program. Let us show you how these options could provide benefit solutions for your business.

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Colonial Life<sup>SM</sup>  
Making benefits count.

Colonial Life products are underwritten by Colonial Life & Accident Insurance Company, for which Colonial Life is the marketing brand.

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