

# Section 125 Cafeteria Plan

## *First Financial Administrators, Inc.*

As a district employee, you are eligible to participate in a Section 125 Flexible Benefit Plan. Enrollment opportunities are limited to the plan year dates for your district.

A Section 125 Flexible Benefit Plan allows you, the employee, to select from a list of available benefits that will meet your family's healthcare needs. Certain benefit premiums are deducted from your gross earnings before federal withholding taxes are figured. The amount you elect to have deducted "pre-tax" lowers your taxable income. By implementing this plan, your employer is helping you reduce your taxes and increase your take home pay.

You cannot change your elections during the plan year except for certain specified changes in family status. Those changes include:

- » Marriage
- » Divorce
- » Death of a spouse/child
- » Birth or adoption of a child
- » Termination of spouse's employment

**You must notify your employer within 31 days of the qualifying event to make changes. Supporting documentation will be required.**

## Section 125 Plan Sample Paycheck

The example below shows how a married employee claiming 1 exemption can reduce their taxable income when they pay for their insurance coverage on a pre-tax basis.

Without Section 125		With Section 125	
Monthly Salary	\$3,000.00	Monthly Salary	\$3,000.00
Less Medical	\$195.00	Less Medical	\$195.00
		Less Insurance/Flex	\$250.00
Taxable Income	\$2,805.00	Taxable Income	\$2,555.00
Less Taxes	\$252.00	Less Taxes	\$180.00
Less Insurance/Flex	\$250.00		
Take Home Pay	\$2,303.00	Take Home Pay	\$2,375.00
You saved \$72 per month in taxes by paying for your benefits on a pre-tax basis!			

# *Available Benefits at a Glance*

## **Flexible Spending Plans - First Financial Administrators, Inc.**

Litchfield Elementary School District allows employees to set aside up to \$2,550 per year for unreimbursed medical expenses and/or up to \$5,000 per year for dependent day care expenses on a pre-tax basis. Federal regulations effective January 1, 2011, will exclude over-the-counter medications from being eligible expenses.

## **Disability Income Insurance**

This insurance is designed to protect your ability to earn an income. This plan will provide you with income —up to 66 2/3% of your salary should you become disabled from result of a covered accident or illness. The plan has various waiting periods you can select from depending on your own personal situation.

## **Cancer Insurance**

Cancer insurance is designed to be a supplemental insurance that pays for many of the costs not covered by your major medical. This plan pays in addition to other coverage you may have. There are several option riders available such as the option for family coverage, Critical Illness rider, and an ICU rider, giving you the flexibility for the best coverage to meet your needs.

## **Accident Insurance**

Accident Insurance helps to cover the expenses for emergency room costs, follow-up treatments, medical imaging, hospital confinement, and many other expenses associated with accidental injuries. This plan can help with medical expenses and living costs when you get hurt unexpectedly.

## **Permanent Whole Life Insurance — Texas Life**

Litchfield Elementary School District is offering its employees the opportunity to purchase individual permanent life insurance through Texas Life. These policies are portable at the same price and coverage. Coverage can be purchased for dependents including spouses, children, and grandchildren. Coverage is guaranteed to age 121.

# Flexible Spending Accounts - First Financial Group

Flexible Spending Accounts are tax-favored accounts that allow participants to set aside money pretax for eligible Medical and Dependent Care costs. Flexible Spending Accounts (FSAs) allow an employee the opportunity to put some of his/her salary aside before taxes to pay for many common out-of-pocket expenses.

Use-it-or-lose-it refers to an IRS requirement. If you do not spend all the money you have elected, it will be forfeited because it cannot be rolled over or refunded to you. Any money that you elect to set aside in a flexible spending account for a given Plan Year may be used only for eligible expenses you incur for services received during that Plan Year. So, it's very important that you plan carefully when deciding on how much to allot for your FSAs.

**The Plan Year for flexible spending is January 1, 2019 - December 31, 2019.**

## Medical Reimbursement

Your medical reimbursement account may be used to reimburse you for expenses that you incur for treatment of yourself, spouse and dependent children during your plan year.

Eligible medical expenses include deductibles and coinsurance amounts under a group health plan, charges that are in excess of the amount reimbursed under a group health plan, and charges that are not covered under a group health plan such as certain corrective surgeries, vision care, dental care and hearing aids.

**Effective January 1, 2011, all over-the-counter medications eligible for reimbursement must be accompanied by a doctor's prescription**

Maximum contribution amount for the 2019 plan year is \$2,550 (\$212.50 per month).

**Reminder – If you or your spouse participate in a Qualified High Deductible Health Plan and contribute to a Health Savings Account, you are not eligible to enroll in Medical Reimbursement.**

## FFA Benefits Card

The FFA benefits card is available for Medical Reimbursement Flexible Spending Accounts. This card may be used in lieu of cash for any out of pocket medical expenses only. It is a signature debit card and does not require a pin for use. Cards are good for three years from the issue date as long as you participate each consecutive plan year.

Cards can be issued to spouses and dependent children (ages 18 to 26) for no additional fee.

## Dependent Care Reimbursement

This benefit allows you to pay for dependent care expenses with "pre-tax" dollars. The maximum amount for Dependent Care Reimbursement is \$5,000 per plan year.

Dependent daycare center expenses are eligible if the care is for your dependent under age 13 and for any other qualifying dependent (including adult dependents), who regularly spends at least 8 hours each day in your household.

# Disability Insurance

## American Fidelity

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 Assurance Company 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.

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

#### *Marketed by:*

First Financial Capital Corporation  
PO Box 670329 • Houston, TX 77267-0329  
[www.ffga.com](http://www.ffga.com)

#### *Underwritten by:*

American Fidelity Assurance Company  
2000 N. Classen Blvd., Oklahoma City, OK 73106  
[www.americanfidelity.com](http://www.americanfidelity.com)

# Cancer Insurance

## *American Fidelity*

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 Assurance Company'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.***

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*\* See the brochure for detailed plan information and rates.*

# Accident Insurance

## *American Fidelity*

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 Assurance Company'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 cover- age.*

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# Group Critical Illness Insurance

*American Fidelity*

Although your traditional medical insurance may help pay for expenses directly associated with a critical illness, how will you cover indirect expenses? American Fidelity's Limited Benefit Group Critical Illness Insurance can assist with the expenses that may not be covered by major medical insurance, allowing you and your family to focus on what matters the most – your recovery.

## **HERE'S HOW IT WORKS**

If you experience an event such as a heart attack or stroke, Critical Illness Insurance may help. It pays a lump sum amount to help with expenses that may not be covered by major medical insurance – house payments, everyday expenses, lost income, and more.

## **FEATURES:**

- Receive an annual benefit for one covered health screening test per year, such as a stress test, echo cardiogram, blood glucose testing, or up to five other routine tests.
- Choose from three coverage amount options, \$10,000, \$20,000, or \$30,000, at the time of application.
- Benefits are paid directly to you, so you can use your benefit for any expense you wish.

*Offered on a pre-tax-basis. Limitations, exclusions, and waiting periods may apply. This product is available under Section 125 Plans. This product is inappropriate for people who are eligible for Medicaid coverage.*

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# Tax-Sheltered Annuity-457

## AUL-STAR SELECT-ONE AMERICA

When it comes to retirement, it can be easy to think, "I will get to it one day," or "one day, I will make it a priority." To have a better chance of reaching your retirement goals, it is important to make that "one-day" today. By offering a retirement plan, your employer has put you on a good path, but now it is up to you to take advantage of this important benefit.

ESTIMATE YOUR NEED

DETERMINE YOUR CONTRIBUTIONS

CHOOSE YOUR INVESTMENTS

### *About One America*

A national leader in the insurance and financial services marketplace for nearly 140 years, the companies of One America help customers build and protect their financial future. One America offers a variety of products and services to serve the financial needs of their policyholders and customers.

Pre-tax contributions help lower your taxable income and while employed in the District, your account grows tax-deferred. This investment opportunity allows you to be in control of your future. This benefit is available not only during open enrollment period but year round so changes can be made to your account at any time of the year. One simple phone call to the account manager, any changes needed will be implemented promptly.