



# Mid-November Means Open Enrollment Time

*Reviewing your benefit choices will maximize your employment benefits*

Open enrollment for employee benefits kicks off this month. While you plan your Thanksgiving menu, review your benefit choices. Even if little changed in your life this past year, maximize what your employer offers.

Here are some pointers.

## **Medical**

Even if you carry the same plan as in many past years, spend a few minutes evaluating which one is best for you and your family when you choose – especially high-deductible health plans and traditional plans.

Switching from the traditional plan to a high-deductible option might save money if you don't visit the doctor much. Perhaps too your spouse's company now offers a better plan and you can switch the family coverage to the better alternative.

Improved employer plan descriptions lay out plans' differences and costs, and do that much better this year. Take advantage of their free help, online or in person.

## **Dental**

Often you receive only one choice for dental coverage, but you may be surprised at how many people decline to pay the relatively small premium for this coverage. Even if young and cavity-free, you take

care of your teeth now to potentially prevent large dental bills in retirement.

If nothing else, dental insurance provides a teeth cleaning twice a year.

## **Vision**

This benefit works great if you wear glasses or contacts and need regular eye exams. Those with perfect vision may opt out of this coverage.

## **Life insurance**

Most employers offer some basic life insurance, the coverage usually a multiple of your salary. If you are married, own a home or have kids, this basic coverage falls short.

Pay extra if possible to increase life coverage through your employer. If that's not an option, consider supplementing this minimal coverage with a term policy from an independent provider. These policies come with set duration limits on coverage and you decide whether to renew once the policy expires.

Remember that whatever life coverage your employer pays for vanishes if you leave that company.

## **Long-Term Disability**

Standard coverage in this category usually pays 60% to 66% of your compensation if you become disabled and unable to work.

As this coverage often comes with a cap, if you are highly compensated, this insurance might also fall short to sustain your standard of living. Estimate your minimum to live on if you become unable to work and, if that number scares you, purchase a supplemental policy.

### **Long-Term Care**

This pays for assisted living, a nursing home or in-home care late in your life.

Even as our lifespans increase, long-term care premiums escalate. If your employer offers any coverage at a relatively inexpensive group rate, lock in some protection. Many advisors will recommend LTCI when you turn age 50 – but getting it while you are young and healthy under an employer plan may still make sense.

### **Flexible Spending Account**

This savings account reduces your taxable income and funds medical co-pays, orthodontist appointments and prescription drug orders, among other expenses.

Figure your out-of-pocket medical costs and sign up to set aside that amount, up to \$2,750 for 2020, pre-tax in an FSA. Each working spouse can do one. Remember that if you participate in an HDHP, you maintain a related health savings account and can only take advantage of a limited FSA.

Either way, pay for the most of out-of-pocket medical costs with pre-tax dollars.

### **Dependent Care Flexible Spending Account**

If you pay for day care, after-school programs or summer day camps for children under age 13 or for elder care for a dependent parent, DCAs help you offset that cost with pre-tax dollars. Again, a working couple can set aside up to \$5,000 from paychecks.

### **Transportation Credits**

If your company offers this and pays in whole or in part for public transportation passes, ride-sharing or other options, reconsider your routes to work.

### **Life-Planning Resources**

Advisors see this wide-ranging employee benefit more and more, from simple mental-health hotlines to complete menus of services.

For instance, if you lack a will, many companies now offer reduced-rate or even complimentary legal services to establish your basic estate planning documents. Others offer financial planning and weight-loss programs – sometimes even gym memberships.

### **Questions?**

If you have questions about your benefits, talk to someone in Human Resources. Or call your financial advisor.

The point is, make sure you review your benefits. Your future self will thank you,