HCBE YourBenefits

Benefit News

Summer 2010

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Notice:

* Open Enrollment for benefits is starting soon. Beginning October 12th, 2010 you can enroll for benefits that will become effective on January 1, 2011. Open Enrollment will end at 4:30 on November 10th. You will be getting more information soon. So be on the alert.

Houston County Board of Education
High-Achieving Students

Spotlight Benefit—Supplemental Retirement

Houston is improving our supplemental retirement plan. This plan is also known as a 403B, 457, or VALIC to many of you. It is designed to compliment TRS or PSERS and Social Security. The most important reason for this change is to provide you with better services and a lower cost way for you to save for retirement. The expenses associated with our current annuity investments made it difficult for you to earn a good return on your savings. Part of that cost was sales commissions – which are eliminated in the new plan. In addition we wanted to help you become a more knowledgeable investor, so you would not miss out on the advantages of our plan. Now, you have the added assurance of impartial guidance when you consult our advisor.

The new Houston plan comes in the form of mutual funds. We chose mutual funds because they are less costly to you. Without forcing you to change your current investments (and a few fixed annuities **shouldn't be changed**) the new mutual fund options enable you to immediately reduce the expenses you are paying to invest. The mutual fund options both lower your cost and provide a wide array of investments from well-known fund families to help you maximize your retirement savings.

It was clear to us that we would need an outside expert or partner to help us comply with all the new rules and create the low cost, high service plan we wanted.. After evaluating a number of different providers, the board chose VALIC to provide a wide array of services – both to the plan and to you as individual participants. We chose VALIC because they are an industry leader and the most experienced retirement services provider in the K-12 world. But, over the years, you, as participants, have overwhelmingly chosen VALIC as your place to invest.

More information is available on the HCBE website. Or contact our advisor, John Lamberth at 478-319-7832.

The Benefit Insider Answers Your Questions

What's the procedure for transferring money I have in my annuity to the mutual funds in the new plan? You can transfer your existing VALIC annuity assets, with no surrender charges, now or later according to a quarterly schedule. When you're ready, complete an ***Asset Conversion Form.*** They will be available online in the Benefits/Supplemental Retirement area of the HCBE website, or from our local VALIC financial advisor.

What is the "quiet period"? When you transfer your annuity balances to mutual funds, there will be a short time during which you will not be able to access to your account. This gives VALIC time to establish your new account. During the quiet period, you will be able to view your account but you will not be able to move your money or change your investment selections. Quiet periods last for about three weeks.

Am I required to move my existing VALIC annuity account balances to the new mutual fund platform? No, you have a choice to leave your money right where it is. However, you will not benefit from the new plan's lower expenses until your money is in a mutual fund.

Can I just move some of the money in my annuity? No. If you choose to transfer your existing annuity balances to the new mutual funds, you must move **all** of your annuity account value.

Please attend the presentation at your school and visit the benefits area of the HCBE website for more information.

Focus on State Health — Get the most from your HRA

50% of us chose the HRA plan as our health plan in 2010. This plan came with a $500 Health Re-imbursement Account for single participants or a $1500 account for families. But don't forget, you can add as much as another $250 to this account if both you and your spouse get your annual physical ($100) and take the online health questionnaire ($25).

The HRA account pays for the first dollar costs for doctor visits, prescriptions, surgeries, or other care. Once the HRA account is used up, you will be responsible for the deductible. The more HRA dollars you have, the longer it takes before you have to pay any costs out of your pocket.

Any unused HRA dollars will roll over for you to use in 2011. Annual physicals are covered 100% by the plan—no HRA dollars are used for that. Get yours by the end of the year to bank the extra dollars for 2011. For details and to take the online health assessment visit your providers website.

United Healthcare
www.welcometouhc.com/shbp
1-877-246-4189

Cigna
www.mycigna.com/shbp
1-800-633-8519

Healthcare changes for 2011
State Health is still working to determine all the changes we will experience for 2011, but here is what we know so far:

- Children can now be covered by the State Health plan up to last day of month in which they turn 26. They do not have to be students and they may be married and still qualify for coverage.
- The lifetime maximum on the plan has been eliminated. It was previously $2 million.
- For those choosing the OAP plan, the pre-existing condition limitation has been removed. None of the other plans had a pre-existing condition limitation.

More information will be available at your location's open enrollment meeting in October.

Your Flexible Spending Accounts at Houston

Nearly half of us are using a Flexible Spending Account in 2010. These accounts enable you to pay eligible out-of-pocket health care or dependent daycare expenses with before-tax dollars saving you 30% or more because you are not paying taxes on this money.

Most medical, dental and vision care expenses you pay – like deductibles, prescription copayments or even the cost of over-the-counter medications – can be paid using your FSA.

Remember that you must submit your receipts for reimbursement by the end of the year. Don't wait until December to gather them up. Any FSA dollars not used in 2010 are forfeited.

If you are using the debit card, keep up with your receipts. You may be asked for them as proof that the charge falls within the IRS guidelines. Debit cards and FSA accounts may be suspended if receipts are not provided promptly. As we get closer to the end of the year, keeping your account active is very important so you do not get caught with leftover money that is forfeited at the end of the year.

Get receipts for your FSA eligible expenses turned into Process Works for reimbursement.

In October, you will have the opportunity to renew your FSA for 2011 or sign up for one if you have never used one before. You may want to start thinking about your medical expenses and your dependent daycare expenses so you can estimate what you may need in 2011. As out-of-pocket costs for health care grow, FSA's become a more important money-saving tool for everyone.

More information is available in the benefits area of our website www.hcbe.net.