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## How to get the most from your benefit plans

The benefits open enrollment season is upon us. This year, you may have to spend more time reading about and understanding the various benefit plans and options available to you.

Many companies are changing the menu of benefits offered and moving more of the costs onto employees' plates. At the same time, some firms are offering a larger selection of voluntary benefits to choose from.

To help, let's take a closer look at some of the specific benefit decisions you may be facing in this open enrollment period.

### **Health insurance: Make the most of your options**

Health insurance, which is probably your most important employer-sponsored benefit, is also likely to be the category where you see the most change. This year, benefit experts expect companies to continue to move toward high-deductible health plans as one of — or sometimes the only — health insurance option.

With these plans, as the name implies, you pay more in deductibles. In turn, you pay less in premiums. Many employers allow workers to contribute pre-tax dollars into a health savings account (HSA). These accounts allow you to contribute savings toward health care costs while earnings grow tax free. This can be a great way to build savings for health care in retirement. Sometimes companies will contribute matching funds toward HSAs as a way to encourage people to sign up for low-cost, high-deductible health plans.

Your employer may also be offering an in-network plan, also called a health maintenance organization (HMO). This option fully covers only health care providers in the plan's network. Out-of-network, or preferred provider organization (PPO), plans are more flexible. The difference between these costs can be considerable, so you'll want to consider your options before choosing the right one for you.

Also in the news this year are the federal or state government-run health care exchanges, which are now online in every state. While this is an important change in the health insurance landscape, if your employer is offering group health care coverage, it's unlikely you will be affected by the exchanges.

## What plan is best for you?

Take these steps to help diagnose your needs and determine the best health insurance choice for you.

1. Review how you and your family used health care in the past year. How many times did you go to the doctor? Does anyone have any chronic health problems?
2. Calculate how much you spent on health care in the past year, including co-pays, co-insurance and prescription drugs. Did your expenditures exceed your deductible?
3. Project any out-of-the-ordinary health care services you might anticipate for next year, such as braces for teens or any elective surgery.

Use your calculations above to determine how you will fare both medically and financially under each type of plan your employer offers. Then you can decide if it makes sense to purchase any of the voluntary health insurance policies for dental, vision, etc. that your employer may offer.

### **Retirement savings: Don't miss out on your employer match**

Open enrollment is a good time to make sure you're making the most of your employer-sponsored 401(k). If your employer offers a match, make sure your contributions are enough to get the full amount.

Ask yourself if it's time to increase your contribution. Did you get a raise recently or are you in line for a bonus? That's money you won't likely miss day-to-day, but it can add up in your retirement account.

### **Disability income insurance: Safeguarding your most important asset**

For most people, their income is their most important financial asset. Disability income insurance can help replace a portion of your income if you are sick or injured and unable to perform your job.

#### **Life insurance: Protecting your loved ones**

Who depends on you? Anyone in your family may look to you. Life insurance can help your loved ones' standard of living and long-term goals remain intact in the event of your death. Employer-sponsored group life insurance is typically based on your compensation. You may find that you would like more coverage than what your employer offers. Also, an individual life insurance policy might be more cost effective and be portable should you change jobs

Open enrollment is your chance to investigate your options so you make the right decision for you and your loved ones. Contact your company's human resources staff with any questions you have about your employer's offerings. Your advisor can also help make sure you take full advantage of your benefits package.

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