



Plan Today for Tomorrow's Expenses

Section 125 Plan

Understanding Your Employer's Section 125 Plan

If there was a program available that could save you money on your taxes and help you proactively plan for out-of-pocket expenses, would you take advantage of it? That's exactly what a Section 125 Plan does – reduces your taxes and increases your spendable income. Under a Section 125 Plan, employers can offer eligible benefits to employees, through payroll deduction, on a pre-tax basis.

Did You Know?

Figure out how much you could save with our Section 125 calculator by visiting American Fidelity Assurance Company's website, americanfidelity.com.

See How Much You Could Save

This example shows what a sample employee's bi-weekly paycheck could look like when using a Section 125 Plan. The sample is based on 24 pay periods.

With a Section 125 Plan		Without a Section 125 Plan	
Gross Bi-Weekly Income	\$2,000.00	Gross Bi-Weekly Income	\$2,000.00
Insurance Premiums		Less Tax	
- Medical insurance	-\$250.00	- Federal & State at 20%	-\$400.00
- Dental insurance	-\$30.00	- FICA at 7.65%	-\$153.00
- Vision insurance	-\$25.00		
- Cancer insurance	-\$20.00		
- Accident insurance	-\$15.00		
Taxable Bi-Weekly Income	\$1,660.00	Bi-Weekly Income Before Benefits	\$1,447.00
Less Tax		Insurance Premiums	
- Federal & State at 20%	-\$332.00	- Medical insurance	-\$250.00
- FICA at 7.65%	-\$126.99	- Dental insurance	-\$30.00
		- Vision insurance	-\$25.00
		- Cancer insurance	-\$20.00
		- Accident insurance	-\$15.00
Net Bi-Weekly Salary	\$1,201.01	Net Bi-Weekly Salary	\$1,107.00

¹ If you are subject to FICA tax, there might be a slight reduction in your social security benefit due to the reduction of FICA contributions. Example is for illustrative purposes only. Please consult your tax advisor for actual tax savings.

Washoe County School District

Section 125 Plan

Interest Form for New Employees

Please mark the appropriate line and/or boxes and return to Laurie Atkinson:

I would like more information about pre-taxing my benefits under the Section 125 Plan.

I would like information about the following benefits.

- | | |
|---|---|
| <input type="checkbox"/> AF™ Disability Income Insurance* | <input type="checkbox"/> AF™ Limited Benefit Critical Illness Insurance*+,# |
| <input type="checkbox"/> AF™ Limited Benefit Accident Only Insurance*+, | <input type="checkbox"/> AF™ Life Insurance*,** |
| <input type="checkbox"/> AF™ Limited Benefit Cancer Insurance*+, | |

I would like more information on the following reimbursement accounts available through Section 125:

- | |
|---|
| <input type="checkbox"/> Healthcare Flexible Spending Account maximum \$2,700/plan year. |
| <input type="checkbox"/> Dependent Care Flexible Spending Account maximum \$5,000/plan year.+++ |
| <input type="checkbox"/> Health Savings Account maximum \$3,550 individual, \$7,100 family. |

* These products may contain limitations, exclusions, and waiting periods.

** Not generally qualified benefits under Section 125 Plans.

+ **This product is inappropriate for people who are eligible for Medicaid coverage.**

* Group Critical Illness is only offered on an after-tax basis.

+++ Maximum \$2,500 if you are married and file a separate tax return.

I'd like American Fidelity Assurance Company to contact me about benefits. With my signature below, I understand that someone will call me to discuss my options and/or schedule my appointment.

Print Name

Signature*

Job Location

Classified/Certificated/Management

Phone

Email Address

Date of Hire

*With my signature, I consent to being contacted, including by phone, regardless of my status on any do not call list.

Justin McLaughlin / Janet Kendrick

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americanfidelity.com

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