2019 – Your 52 Weeks to Financial Freedom!

Week 3 – Maximize Your Benefits

If you are an employee, benefits can add up to 40% of your annual pay. Let's make sure we are maximizing every benefit our employer offers! If you are self-employed, you can create many of these benefits for yourself and they will be tax deductible to your company

1. Sign-up for voluntary benefits
   Consider taking advantage of voluntary benefits (sponsored by the employer, paid by the employee). They give you greater choices and discounted access to benefits to help ensure protection needs meet your specific lifestyle. They are usually more affordable than individual coverage and require limited or no medical underwriting.

   Sign up for voluntary benefits earlier rather than later. Some voluntary benefits like life insurance plans may automatically increase coverage amounts each year, building up greater coverage than what you initially signed up for. These increases have no impact to premiums so it pays to enroll early.

2. Look for the freebies or perks
   Use your health insurance plan to get a discount on your gym membership. Health insurance plans with a wellness focus often offer these discounts to encourage employees to stay fit, keeping your long-term costs of care lower.

   Need estate planning or will preparation advice? Check your life insurance coverage to see if free or low cost legal services are available. For example, some companies have Will Preparation Services that give plan members access to online planning documents and professional assistance with advanced health care directives, estate taxes, financial and healthcare power of attorney, guardianship and conservatorship, trusts and wills.

3. Keep more money in your pockets
   If a high deductible health plan is one of your medical plan options, consider opening a health savings account if available. Money in HSA funds build tax-free and you keep it even if you change jobs. You can use the money to pay for qualified health expenses if necessary and if no health care needs arise, you are building your money up on a tax-advantaged basis.

   All high-deductible plans are not created equally. Look for a plan that doesn't require you to pay out-of-pocket for common preventative screenings. Critical illness insurance can be bundled with your health plan to provide greater coverage when serious illnesses strike. A new industry feature on critical illness insurance is a hospital rider where if you face an extended hospital stay, you can receive a check of up to $500 for each day you're in the hospital -- up to ten days. You can use the money any way you want, but many employees choose to use this extra cash to cover high deductibles, co-payments, or even child care.

4. Use it, don't lose it
   Look for a dental plan that has an annual maximum rollover -- these newer plans became popular in the past three years and allow you to roll over a portion of your unused benefits to the next year. These plans are doing for the dental industry what rollover minutes did for the mobile phone industry.

   Consider signing up for a flexible spending account which allows you to pay for qualified healthcare, dependent care and even transportation expenses with before-tax dollars. It's a use it, or lose it account so don't forget to use the money before the year-end deadline. Qualifying purchases may include: medical and dental deductibles and copayments, over the counter medications, eye glasses, child care, and transportation related to your employment.

5. Don't give up on your 401(k)
   The beginning of the year is a really good time to take a look at your company retirement plan contributions. With most of the year left, you have time to make adjustments, if necessary, to ensure you reach your contribution goal.

   Now is the time to start up contributions again, if you stopped contributing during the market turmoil last year. Saving through your employer-sponsored retirement plan helps you automatically follow one of the wisest investment strategies--dollar- cost averaging, putting the same amount of money in the same investment consistently, regardless of market movement. Over time, this can reduce the overall cost of your investments.

6. If you lose your job, keep your benefits
   If you lose your job, some of your benefits may be portable. Make sure you ask your HR executive about the ability to maintain key benefits at affordable group rates in the event of job loss.