



Tax Season's Coming Are Your Benefits Helping You Out?

The poet Ogden Nash said, "Indoors or out, no one relaxes in March, that month of wind and taxes, the wind will presently disappear, the taxes last us all the year." Ogden Nash may not have known that participating in certain employee benefit programs may help reduce or delay income taxes. As the annual tax deadline approaches next month, it's a good time to evaluate whether your benefits have helped reduce your tax burden and consider whether you are taking advantage of all the tax-free or tax-deferred programs that are available to you.



Tax-Free Benefits

Some employer-sponsored benefits help you avoid taxes altogether. These include pre-tax contributions, Flexible Spending Account (FSA) contributions, Health Savings Account (HSA) contributions, and Commuter Benefit programs.

- **Pre-Tax Contributions** - If your benefit contributions are taken out of your paycheck on a "pre-tax" basis, it means that the amount you pay for your benefits is subtracted from your pay before Federal and State tax deductions are calculated, reducing the amount of income which is taxable. Over the year, benefit contributions can add up to hundreds of dollars in tax-free earnings.
Note: Some pre-tax deductions also reduce FICA earnings which may have the effect of reducing your Social Security benefits in later years.
- **Flexible Spending Account Contributions** - If your employer offers FSA accounts, you have the opportunity to pay for many health and child care expenses using tax free dollars. The money you contribute to an FSA is not taxable, and when you request reimbursement for eligible expenses, the money you receive is not subject to tax either. The IRS allows up to \$5,000 per year for health care expenses and \$5,000 per year for child care expenses. If you are not currently enrolled in an FSA plan, you will have to wait until your employer's next Open Enrollment period to join. Take the time now to read about this benefit in your employee benefit materials and decide if it is right for you.
- **Health Savings Account Contributions** - If you participate in a High Deductible Health Plan, you may be eligible to contribute to a Health Savings Account to pay for out-of-pocket medical expenses. Like an FSA, contributions to a Health Savings Account are not taxable when deposited into or reimbursed from your account. In addition, with a Health Savings Account, you can make a deposit into your account at any time up to the tax filing deadline for the prior year. If you participate in an HSA now, you have until April 15, 2010 to make a 2009 contribution into your account. The IRS allows up to \$3,000 for single coverage or \$5,950 for family coverage to be contributed into your account for 2009, taking into account both employee and, if applicable, employer contributions. The limits increase to \$3,050 and \$6,150 respectively for 2010.
- **Commuter Benefit Contributions** - Many employers sponsor programs where employees can pay for commute expenses on a pre-tax basis. Normally, you can contribute up to \$120 per month for transit/vanpooling expenses and up to \$230 for qualified parking expenses. However, there is a special opportunity from April through December 31, 2010 to pay for up to \$230 of transit/vanpooling expenses per month on a pre-tax basis. This temporary change is due to a provision in the American Recovery and Investment Act (ARRA). You can generally enroll in a commuter benefit program at any time throughout the year. Check with your benefits department to see whether your employer offers this type of program.

Tax Deferred Benefits

Other types of benefit programs allow you to delay paying taxes until a later date. The most common type of tax-deferred program is a 401(k) retirement savings plan.

- 401(k) Retirement Savings Plans** - Under a 401(k) plan, your contributions are taken out of your pay on a pre-tax basis, reducing the amount of income on which taxes are calculated right now. You will pay taxes on this money when you withdraw money from your 401(k) account after age 59 ½. A general assumption about 401(k) plan benefits is that, after retirement, you may be in a lower tax bracket. Be careful about withdrawing funds from your 401(k) account before age 59 ½ as both taxes and penalties for early withdrawal will apply.

A 401(k) plan can have an added bonus in that many employers match the employee's contribution up to a certain percentage, enabling you to grow your retirement nest egg.

The IRS allows you to contribute up to \$16,500 on a pre-tax basis in 2010. If you are age 50 or older, you may contribute an additional \$5,000 pre-tax each year. Most employers allow you to join the 401(k) plan or increase your contributions at any time during the year.

As you can see, there are many opportunities to reduce your tax burden by participating in a variety of employer-sponsored plans. Taken together, they can add up to thousands of dollars in tax-free or tax-deferred income.



Mission: Nutrition

Just Add Salsa

To add zest and nutrition to your dinner, top broiled lean meat, chicken, or fish with a fruit or vegetable based salsa. Each 1/2 cup of salsa counts as a 1/2 cup toward meeting your daily vegetable needs. For more tips on nutritious meals, visit www.fruitsandveggiesmatter.gov.



Meals On the Go

Sensational Sammies

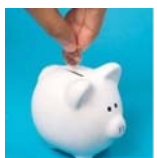
Keep your sandwich orders on the light side by sticking to these standards: whole grain bread; lean beef, ham, turkey or chicken; mustard, instead of mayo; and pile on the veggies such as lettuce, sprouts, and peppers.



Prevention Tip of the Month

New Tips for CPR

CPR or cardiopulmonary resuscitation celebrates its 50th anniversary this year. Join the celebration by taking a class. CPR training, often paired with a first aid class, is offered through many organizations including the [American Heart Association](http://www.americanheart.org) and the [American Red Cross](http://www.americanredcross.org). If you have already taken a CPR class, be sure to renew your certification because there have been changes to some of the procedures. New procedures involve giving chest compressions at a faster rate and reducing the number of breaths when administering CPR to an adult. While taking a class is the best way to get information on how to do CPR, you can find video tutorials online. There are even Smartphone Applications to help you learn in an emergency.



Savvy Shopper

Perks for Moms-to-Be

Pregnancy is an exciting time. If you are expecting, check with your health plan to see whether special programs are available for prospective moms. Benefits may include prenatal care books and other educational materials, a nurse line to discuss pregnancy-related issues, risk assessments for pre-term delivery and other conditions, or tools to help track your pregnancy. Consult your plan's web site or call the customer service number on the back of your ID card to find special programs from your insurance carrier.



Active Life

The Plank -- Not Just for Pirates

Strengthen your core muscles by doing the plank. Ranked as the 10th most effective core exercise by the American Council on Exercise, the plank also works hip, abdominal and leg muscles. Strong core and abdominal muscles help with balance and stability; they can also help reduce back pain. For maximum effect add [planks](#) to your total body work out. To increase the intensity of the exercise you can also do [side planks](#).



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