

Saving Tax Money

on health care premiums

... through your company's new cafeteria plan

It's your money ...

Between major medical, dental and supplemental coverage, you're probably spending a large part of your paycheck on health care coverage. But you might save tax money on these premiums by participating in your company's cafeteria plan. Here's how it works.

Savings Example

Per \$1,000 in salary

Employee Savings Example

<u>Without</u> <u>Flex Plan</u>		<u>With</u> <u>Flex Plan</u>	
\$ 1,000	Gross Income	\$ 1,000	Gross Income
- 250	Taxes	- 100	Insurance Premiums
750	Paycheck	900	Adjusted Gross Income
- 100	Insurance Premiums	- 225	Taxes
\$ 650	Net Spendable	\$ 675	Net Spendable/Paycheck

\$25 Tax Savings

This example is for illustration only and assumes a combined tax rate (income, FICA, Medicare) of 25%. Your own personal tax situation may differ.

It's not the costs that are reduced, but how you pay for your benefits that makes the difference. Without a cafeteria plan, you pay taxes on every dollar you earn — then you pay for your benefits. With a cafeteria plan, your benefits costs are deducted first — and you pay taxes on the remainder. This means you don't pay taxes on the money you spend for qualified health care coverage!

Your benefits*...

The potential tax savings you gain from paying for your other coverage with pre-tax money may give you the choice between adding to your benefits package or receiving a higher paycheck.

Your choice!

AFLAC's FLEX ONE® program gives you a choice:

- ◆ Potential tax savings
- ◆ More complete coverage

The Affordable Choice ✓

* Cafeteria plan elections are generally irrevocable for an entire plan year and reduce Social Security compensation. Prior to participation, carefully review your summary plan description, salary redirection agreement and summary of tax rules, and reimbursement procedures for additional terms and conditions.

American Family Life Assurance Company of Columbus (AFLAC) • Worldwide Headquarters: Columbus, Georgia 31999
Visit our Web site at www.aflac.com.