

9 Quick Rules for Open Enrollment - Part 1

(1 - 5 in this issue)



MONEY SPROUTS

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1. Block out time as soon as you know the date you need to make your selection by. Block out 1 hour for 2 days to dive into the options and create a list of questions from your workplace benefits contact. Plan for additional time to research the best choices for you.

2. Sign up for the no-brainers like all the disability coverage that is offered. If you really can't afford all of the disability coverage that is offered, take the long-term coverage and bypass the short term. (#1 Risk Rule: cover what would be catastrophic first! No income for the rest of your life would be catastrophic!!)

3. If you don't have time to find out whether you or your spouse are insurable, use the group life. Maybe you can get better rates on life insurance somewhere else, but since you didn't do the comparison in time, sign up for the coverage you need and put it on your calendar to comparison shop before next year's open enrollment. Need help in figuring out what you need? Call your financial planner or try this free website LifeHappens.org.

4. Review your medical expenses from the prior year and project for this year. Then see what the total expenses are for health insurance plus what all the out-of-pocket costs would be for various plans. This can help you make an informed decision. Your employer may have a comparison tool, so ask for it. (Rooted Planning Group uses a Health Care Evaluation Tool.) A general rule of thumb is: Low expenses and usage = High deductible + Health Savings Account (HSA) plan. High expenses and usage = lower deductible + FLEX savings plan (BUT, if you are going to max out of pocket, the HD+HSA, might actually be better).

5. Don't miss using the Flex or HSA plan. The rules can seem confusing, but these options are amazing tools that can save you between 20% -50% of your contributions in taxes. If your employer offers a High Deductible health plan, make sure you can meet the out-of-pocket expenses by taking advantage of the HSA rules. If your employer doesn't offer a plan, you can set one up on your own. Confused between FSA, HSA and HRA? Just ask somebody! Your financial planner, HR or even Google, but don't let it slide!

Don't miss part 2 of Quick Rules for Open Enrollment 6-9 in next week's edition of Money Sprouts!