

Lower your taxes by helping your employees

Section 125 Cafeteria Plans and Section 132 Transit Reimbursement Accounts

Savings for everyone

You can help your employees save money — and you'll save too!

As your employees set aside pretax money and reduce their taxable income, you'll pay less in payroll taxes. You can offer three ways to save:

- Premium Only Plan (POP)
- Flexible Spending Account (FSA)
- Transit Reimbursement Account (TRA)

Tax-advantaged options

Aetna POP

Employees can pay for their portion of the group health insurance expenses on a pretax basis. As health care premiums change, employees' elections can be adjusted. Available as a stand-alone POP or included with an Aetna FSA.

Aetna FSA

FSAs give employees a chance to save for health expenses with pretax money. This pretax arrangement also helps lower your payroll taxes.

Established by IRS Code Section 125, these plans allow employers to offer employees the ability to pay for a variety of health care and dependent care expenses with pretax dollars. This includes items not paid in full or not covered by health insurance (e.g., over-the-counter drugs, eyeglasses, contact lenses, dental care, deductibles, coinsurance and more).

Health Care Spending Account

Participants estimate what their health care expenses will be for the coming year and set aside pretax dollars to pay for any out-of-pocket health care expenses, as defined by the IRS.

Dependent Care Spending Account

Participants use pretax dollars to pay child or elder care expenses. Married people who file taxes individually may contribute up to \$2,500 a year; single or married people who file taxes jointly may contribute up to \$5,000 a year.

Give yourself and your employees these tax advantages.

FOR BUSINESSES WITH
2 TO 299 EMPLOYEES



Aetna TRA

Established by IRS Code Section 132, participants can use pretax dollars to pay transportation and parking expenses for the purpose of commuting to and from work. They can set aside up to \$110 per month for mass transportation and \$215 per month for parking (totaling \$3,900 annually as of 2007).

Advantages for employers

- Reduces FICA, unemployment, and workers' compensation taxes
- Helps to recruit new employees and reduce turnover
- Provides ongoing annual savings
- Enhances employee benefits package
- Typically pays for itself with tax savings

Advantages for employees

- Reduces taxable income while increasing spendable income
- Offers convenience — funds are available for health care expenses as they are incurred

- Allows employee to pay for other types of benefits and services with pretax dollars

Easy to understand, set up and use

We offer:

- Automatic processing of Aetna health claim reimbursements
- A password-protected website to keep track of accounts
- Direct deposit of reimbursements
- Dedicated and knowledgeable service representatives

The example below shows that while savings will vary from employer to employer, one thing is certain — the more dollars your employees plan for and put away, the more you will save.

Number of Employees		Average Employee Salary Reduction Per Month		
		\$75	\$135	\$200
10	Employer Saves	\$900	\$1,620	\$2,400
	Employees Save	\$3,150	\$5,670	\$8,400
	Total Savings	\$4,050	\$7,290	\$10,800
25	Employer Saves	\$2,250	\$4,050	\$6,000
	Employees Save	\$7,875	\$14,175	\$21,000
	Total Savings	\$10,125	\$18,225	\$27,000
100	Employer Saves	\$9,000	\$16,200	\$24,000
	Employees Save	\$22,500	\$40,500	\$60,000
	Total Savings	\$31,500	\$56,700	\$84,000

Assumes 10% combined and corporate taxes (FICA, workers and unemployment compensation) and 25% State and Federal Taxes.



Take a step toward savings today! Contact your Aetna representative or broker.

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Information subject to change. For more information about Aetna plans, refer to www.aetna.com.