



# Annual Enrollment

Newsletter No. 1

## What's New for 2009?

### Domestic Partner Coverage

- All domestic partners are now eligible to receive coverage for medical, dental and vision benefits.
- Cost of domestic partner's coverage is taxable to you as imputed income.

### Missionary Students Now Covered

- Missionary college students will be covered for medical, dental and vision benefits up to age 25.

### Better Coverage for Glass Lenses/Contact Lenses Through VSP

- You can receive glass lenses or contact lenses every year and glass frames every other year.
- Exam copay has increased from \$10 to \$15.
- Retail frame/elective contact lens allowance increases from \$130 to \$150 per year.

### Dental Family Deductible Maximum Put in Place

- Calendar year deductible changes from \$50 per person to \$150 per family for Basic Plan and from \$100 per person to \$300 per family for Comprehensive Plan.

### Slight Copay Increase for Preferred Brand Prescriptions

- Copayment for preferred brand drugs has increased for retail (from \$30 to \$35) and mail order (from \$75 to \$90).
- Applies to Premium and Standard PPO plans only.

### Hearing Aids Coverage Increased

- Benefit for this coverage has increased to \$1,500 every three years for each participant.
- The previous amount was a lifetime maximum of \$500.

## A Check-Up for Your Benefits

### See How Your Benefits Compare with Other Companies

Your benefits are a collaboration between you and your employer. Farm Credit employers seek a balance between competitive, flexible benefit offerings and the cost of those benefits.

The standard is that our overall benefits are "above market" with a heavy emphasis on those benefits that are most valued by you, our employees.

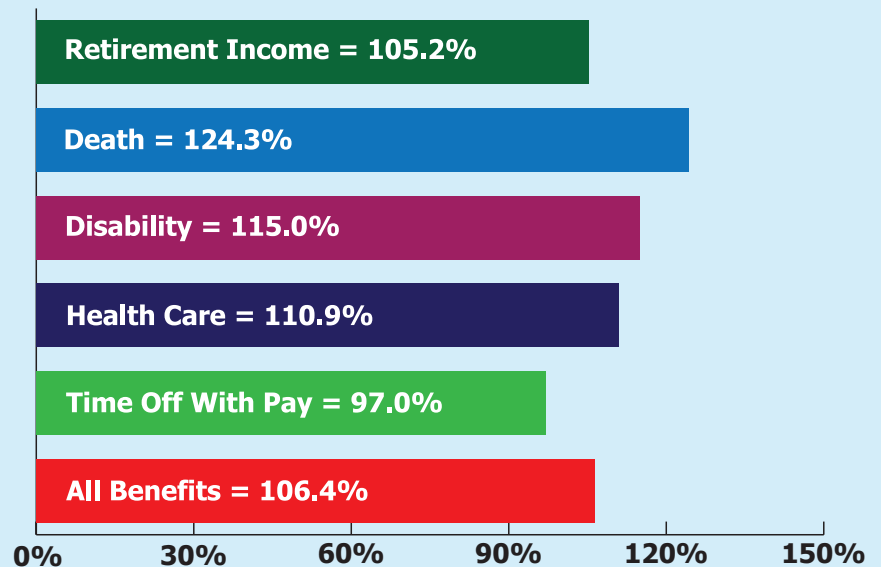
Foundations participates in a national survey, the Hewitt Benefits Index, that benchmarks our plans against meaningful comparator employers – that is, those employers who compete for employees in Farm Credit markets, employers in a similar industry, and employers that are comparable in size and demographics.

The median, or market, is assigned a value of 100%. The values assigned to our plans are compared against this market value of 100%.

Our philosophy is to be competitive with market on an aggregate basis and above market on the most valued benefits.

To read more and see how we compare, go to [www.FarmCreditFoundations.com](http://www.FarmCreditFoundations.com) during Annual Enrollment beginning Nov. 1.

### Percentage of Your Benefit Value, According to Hewitt Benefits Index



# Ever Wonder How Much Your Employer Pays for Your Medical, Dental Coverage?

## Medical

Farm Credit Foundation employers pay a minimum of 80% of the total cost of your medical coverage and 70% of the total cost to cover your dependents. Your BCBSIL PPO plans are self-insured. That means that your employer has hired Blue Cross to process claims but your employer is paying the cost of your benefits.

In addition to subsidizing the cost for you to have coverage under the plan, when you use your benefits, your plan (Farm Credit Foundation employers) pay 80% to 100% of your in-network eligible charges.

In addition to the above, in 2007, your employer assumed an additional \$50 per month of your cost over and above the 80% subsidy. In 2008, your employer subsidized an additional \$25 per month over your medical subsidy.

On an annual basis, our benefit plan components, including the employer-paid cost are reviewed and compared against market so that we are confident our medical plan offerings are above market. The additional subsidies in 2007 and 2008 were part of that equation.

This year, our plan experience resulted in an increased cost of our medical plans of 9%, which is the same as national trend. Since there is no additional employer subsidy this year, you will see a higher increase in your cost but the value of our plans remains above market.

## Dental

For dental plans, your employer pays 80% of your coverage plus 60% of the total cost of your dependents. Premium increases for 2009 were kept below national trend of 6% because of our good plan experience.

## Annual Enrollment Packet Coming Soon!

You will receive your personalized Annual Enrollment packet in the next two weeks.



Your packet will include:

### Personalized Benefit Summary

This document will list your current benefit elections and your Ceridian Clock Number, which you need to make your on-line election changes for 2009.

### Ceridian Self-Service Instructions

This guide will walk you through the on-line enrollment process.

### Benefits Snapshot

This is a quick guide to your benefits. A complete Benefits Guide will be found online at [www.FarmCreditFoundations.com](http://www.FarmCreditFoundations.com) under the Annual Enrollment section.

## Tax Advantage Accounts

### 2009 Health Savings Account Contribution Maximums Are Set for Consumer Choice Plans

If you enroll in the Consumer Choice High Deductible Plan, you will be enrolled in an HSA account at Bank of America and your employer will make a contribution each pay period based on your election. Including the amount your employer will make on your behalf in 2009, you can contribute up to the following amounts:

- \$3,000 if you enroll in employee-only coverage
- \$5,950 if you cover dependents
- \$1,000 additional contribution allowed if you are age 55 or older

Your contributions and those made by your employer are not subject to federal and most state taxes and can be used to pay for medical costs now or saved and/or invested for future expenses.

### New FSA regulations

#### Debit Cards

If you use your debit card to pay for eligible purchases from your HSA, Limited Purpose FSA or Health Care FSA, the following new rules apply for 2009:

Debit card can only be used:

- At a merchant who has an inventory information approval system ("IIAS") in place, or
- Pharmacies that can show more than 90% of its



receipts come from the sale of products that are reimbursable under an FSA.

- If you use a pharmacy to make purchases where the debit card will not be recognized, you can pay cash and file a claim.

#### Reimbursement for Pre-Paid Expenses Effective Jan. 1, 2009

- Advance reimbursements for orthodontia and durable medical equipment can be made at the time of billing or purchase.
- All other FSA eligible reimbursements remain payable based on the time the charge was incurred.