

# Open Enrollment: What to Know Before You Enroll

For many people, fall brings an important opportunity: open enrollment. While it may not sound as exciting as planning for the holidays, taking a careful look at your workplace benefits now could save you hundreds or even thousands of dollars next year.

Open enrollment is the period when you will choose your medical and other workplace benefits for the year ahead. Most employers hold it in the fall, with elections taking effect in January. Once the window closes, you usually can't make changes unless you experience a major life event like marriage, divorce, the birth of a child or when a dependent has become an emancipated adult.

While it may be easy to simply renew last year's choices, that could be a costly mistake. Your employer's plans, providers or costs may have changed. It's also possible your own circumstances are different than they were a year ago—for example, if you had a baby, got married or expect new medical needs. Taking a fresh look helps ensure your benefits match your life today.

Here are a few tips for navigating open enrollment.

**Compare health plans carefully.** Employers often offer more than one health, dental or vision option. Look at differences in provider networks, prescription coverage and premiums. If you and your spouse both have coverage options, compare plans across employers. Just be mindful that some companies charge a fee if you enroll a partner who has their own workplace coverage. Many plans offer wellness discounts on monthly premiums based on your personal health condition.

**Check your life insurance.** Many employers provide a base level of life insurance, with the option to buy more. If your family has grown or your financial responsibilities have increased, now is the time to make sure you have enough coverage to protect your loved ones.

**Consider disability coverage.** A short-term disability plan can help cover income

gaps for up to 12 months during recovery from surgery, illness or childbirth. Long-term disability insurance offers protection if you're unable to work again for an extended period up to age 65. Ideally, coverage should replace up to 60% of your pre-tax income.

**Understand supplemental options.** Some employers also offer accidental death and dismemberment (AD&D) insurance. While it can provide peace of mind, remember that it's not a substitute for life or disability insurance, since it only covers specific accidents.

**Take advantage of tax-friendly accounts.** Flexible spending accounts (FSAs) and health savings accounts (HSAs) let you use pretax dollars for eligible medical expenses. If you have young children or other dependents, ask whether your employer offers a dependent care FSA to help offset care costs. Note that these are use-it-or-lose-it, so contribute only what you expect to spend every year. HSAs, available with high-deductible health plans, are more flexible, since unused funds roll over from year to year and can even serve as long-term savings.

**Review your retirement savings.** While your retirement plan usually isn't part of open enrollment, this is a good time to revisit it. Make sure you're contributing enough to earn your employer's match. Small increases can make a big difference over time.

Open enrollment may not be the most thrilling item on your fall to-do list, but it could be one of the most important. Taking a little time now to review your employee group benefits could give you greater financial security and extra savings throughout the year.

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