

Healthy Habits

HEALTHY HABIT #8

Save money on your out-of-pocket healthcare expenses

Costco's health benefit plans lead the industry, but there are still healthcare costs that you pay for yourself. Expenses like plan deductibles, co-pays for doctor visits and prescription drugs can mount up over the course of a year. It makes sense to take advantage of all the help you can get. The company's Health Care Reimbursement Account can help you take home more of your earnings in each paycheck. It's like giving yourself a raise, because the money you set aside for certain healthcare expenses is not subject to federal income tax. Typically, employees who participate have tax savings equal to 10 percent to 35 percent of their eligible expenses, depending on their income and tax bracket. You can use the Health Care Reimbursement Account for many expenses incurred by you or eligible family members, such as:

- Annual deductibles
- Co-pays
- Co-insurance
- Prescriptions
- Orthodontia
- Chiropractic services
- Hearing aids
- Prescription sunglasses
- Medically necessary treatment of obesity
- Smoking cessation treatment
- Laser surgery to correct vision
- Contact lens cleaners and rewetting drops
- Over-the-counter drugs
- And a whole lot more!

You can contribute from \$120 to \$5,000 to your account every year, but remember – the IRS has a strict rule stating that you must forfeit any money left in your account after you've been repaid for all eligible costs incurred, so you'll want to consider your contribution carefully. Take a look at your medical and dental expenses in a typical year, and then think about any unusual expenses you could incur in 2008.

Your contributions will be withheld pre-tax from your paychecks through automatic payroll deductions, and your reimbursement checks will be tax-free, too. Aetna will automatically reimburse your out-of-pocket expenses whenever they process a medical or dental claim for you or your covered family members. AutoDebit will pay your pharmacy co-pay from your account directly to the pharmacy when you fill a prescription at any Costco or network pharmacy.

It's easy to enroll, but you need to do it now. To participate, you must sign up for Costco's Health Care Reimbursement Account each year during Open Enrollment.

Benefits Open Enrollment is November 1 – 27, 2007.



Helpful tools and a C-note for your 401(k)

Enroll in Simple Steps before November 30

If you take advantage of Costco's great new online benefit tools by completing the Simple Steps to a Healthier Life Health Assessment and viewing your Personal Health Record by November 30, 2007, Costco will contribute \$100 to your 401(k) account. That's an easy way to make \$100, but the most important benefit to you is the ability to easily track and manage your family's health information.

For more information about these helpful online tools and to complete your assessment, go to www.costcobenefits.com. Remember - you can enroll in these online health resources any time, but you'll have to do so by November 30 in order to get \$100.

All of your information is secure and completely confidential.

These private, secure online tools work together to help you access and manage your health information. No one at Costco will have access to your information, nor will it be available to any healthcare provider, unless you decide to print and share it with them.

The information you enter into the Health Assessment and Personal Health Record is not sold or shared with anyone outside of Aetna.