

AFES

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Benefit Overview

 **American Fidelity Assurance Company**
A member of the American Fidelity Group®



Margaretta Local Schools

Section 125 Plan

Plan Year: 01/01/11 - 12/31/11

Is Your Paycheck Saving You Money?

The Section 125 Plan allows you to deduct needed benefits from gross earnings before taxes are computed. What that means is that current after-tax expenses for insurance products and benefits can now be paid for with pre-tax dollars. Plus, the Plan is available to you at no additional cost* and you're already eligible, all you have to do is enroll.

By implementing this plan, your employer is helping you reduce your taxes and increase your spendable income. The cost saving advantage of the plan is simple. Any benefit costs or insurance premiums you pay under the plan are paid on a pre-tax basis.

How Can This Plan Help You?

This illustration shows the advantage of the Section 125 Plan in comparison to benefits outside of the Plan. The sample paycheck with the Section 125 Flexible Benefit Plan has \$70 of more spendable income per month!

Employee Name	Doe, John	Employee Number	3839
Social Security #	123-45-6XXX	Payment Date	01/12/10
		Period Begin Date	01/01/10
Earning & Hours	Without S125	With S125	
Monthly Salary	\$2,000	\$2,000	
Medical Deductions	N/A	-250	
Taxable Gross	\$2,000	\$1750	
Taxes (Federal & State @ 20%)	-400	-350	
Less Estimated FICA (1.45%)	-29	-25	
Medical Deductions	-250	N/A	
Take Home Pay	\$1321	\$1375	

WOW - that's a savings of \$54!

If you are subject to FICA taxes, there might be a reduction in your social security benefit due to the reduction of FICA contributions.

Example is hypothetical for illustrative purposes only.

Please consult your tax advisor for actual tax savings.

**Where allowable by law.*

Are You Saving Money On Dependent Day Care and Out-Of-Pocket Medical Expenses?

You can direct a part of your pay, on a pre-tax basis, into Flexible Spending Accounts (FSA) that can be used to reimburse yourself for Dependent Day Care expenses and/or Unreimbursed Medical expenses. As you incur a qualified Dependent Day Care or Unreimbursed Medical expense, you submit the appropriate claim paperwork to American Fidelity for reimbursement.

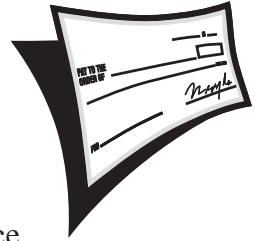
A Dependent Day Care FSA is used to reimburse yourself for eligible dependent care expenses incurred to allow you to work or, if you are married, your spouse to work or look for work. You may allocate up to \$5,000 pre-tax per calendar year for reimbursement of dependent care services (\$2,500 if you are married and file a separate tax return).

An Unreimbursed Medical Account (also known as Health FSA) may be used to reimburse yourself for eligible medical expenses incurred for yourself, your spouse, your adult child(ren) who have not reached age 27 by the end of the tax year, and your eligible dependents. are not limited to medical deductibles, co-payments, prescriptions and other medical expenses not reimbursed by another source.

Please Note: If you do not file sufficient claims for reimbursement, you will lose the unused amounts. This is often referred to as the "use-or-lose" rule. Therefore, the balance of the unused amounts must be forfeited to your Employer.

Disability Income Insurance

Disability causes nearly 50% of all mortgage foreclosures each year*. If you rely on your income, then you need Disability Income Insurance.



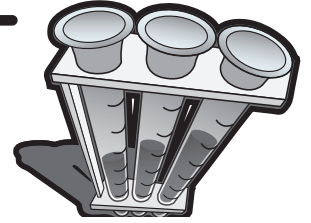
American Fidelity's Disability Income Insurance helps protect your income in the event of disability. If you are unable to work due to a covered injury or sickness, disability income insurance will pay you a monthly benefit until you are able to work to use however you'd like. Talk to your American Fidelity representative today to secure the proper coverage for you and your family.

*Council for Disability Awareness, Worker Disability Planning & Preparedness Study, 2008.

SB-22577-0810

Cancer Insurance

If you are diagnosed with cancer, American Fidelity's Limited Benefit Cancer Insurance Plan may help you maintain your standard of living. Benefit payments can be used however you'd like, including house payments, utilities, and meals/lodging expenses.

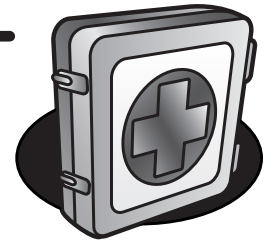


A cancer policy can help provide comfort during your diagnosis and treatment by paying benefits directly to you. Plus, you and your family can concentrate on what matters most – your health.

SB-22398-0810

Accident Only Insurance

Accidents happen and can be costly. Not only would you be faced with additional expenses, but you might also need time off work to care for the one involved in the accident. Take steps today to protect you and your family if one were to occur in your household.

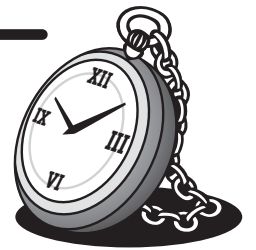


An American Fidelity Limited Benefit Accident Only Insurance Policy can help with the high costs of accidents. The plan pays benefits regardless of other coverage and offers the option of an accident benefit enhancement rider, helping maximize the benefits of your policy.

SB-22396-0810

Life Insurance

A general rule is to buy life insurance coverage equal to eight to ten times your annual income*. Your school may provide a small amount of group life insurance. But, do you have a portable policy in place in case you left employment?



American Fidelity has several types of individual life insurance coverage to choose from, including permanent, term, and children's policies. Securing a life insurance policy may help provide peace of mind, knowing your family will be taken care of after you're gone.

*Kiplinger's Personal Finance: Save Thousands on Insurance; February 2009.

SB-22584-0810

Contact Information

For more information contact your American Fidelity Account Representative.

Tina Contini, Account Representative

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513-701-3171

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Important Resources

Flex Account Administration

phone: (800) 325-0654
fax: (800) 543-3539

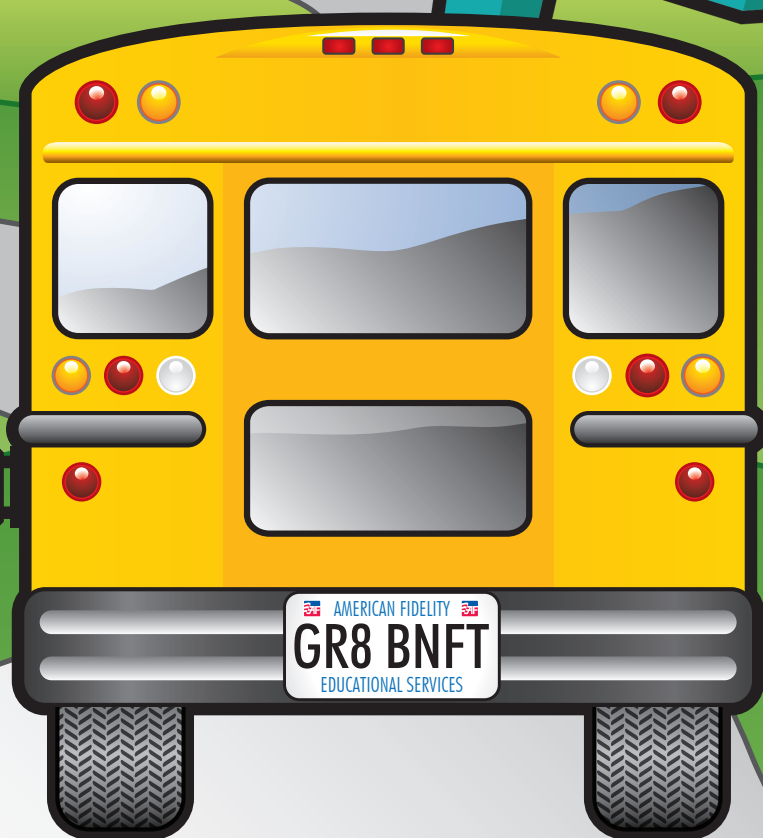
Benefits

phone: (800) 662-1113
fax: (800) 818-FILE (3453)

Annuities

phone: (800) 662-1106
fax: (405) 523-5978

STOP



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