

2009



Benefits Open Enrollment

2009 Open Enrollment Dates:
November 3 - November 21



Valassis

Is the Health Choice Savings Plan right for you?

Consider the Health Choice Savings Plan if you:

- Want to save hundreds or thousands of dollars a year on health care premiums?
- Want coverage for big expenses, but don't want to pay for coverage you may never use?
- Want to set aside tax-free income now for future health care expenses?
- Want more control over how and when you spend your health care dollars?



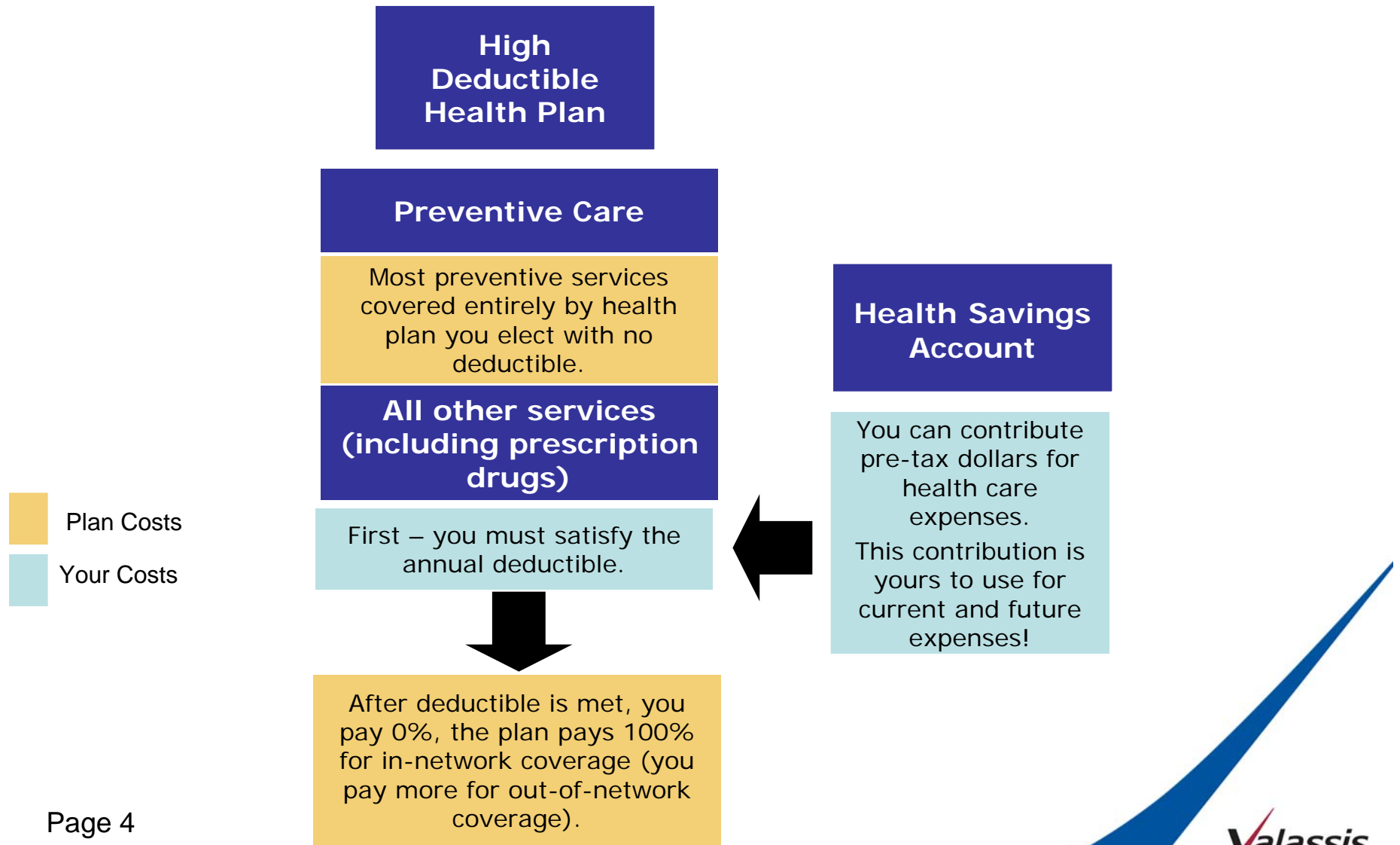
Health Choice Savings Plan

There are two parts to the Health Choice Savings Plan:

1. H.S.A. Qualified High Deductible Health Plan
2. Health Savings Account (HSA)



How the Health Choice Savings Plan Works



How the High Deductible Health Plan Works

**High Deductible
Health Plan
Family Deductible
\$4,000 In-Network**



$\$1,100 + \$900 + \$2,000$

OR

$\$4,000 + \$0 + \$0$

Total Eligible Expenses =

\$4,000

Co-insurance

**AGGREGATE
DEDUCTIBLE
SATISFIED!**

Plan now pays
100% of eligible
expenses and you
pay nothing.

Health Savings Account (HSA)

- An HSA resembles a health care flexible spending account — with some added features.

Tax-free savings	<ul style="list-style-type: none"> • No taxes <ul style="list-style-type: none"> - when you or Valassis contribute. - when you access funds for eligible expenses. - or on interest earnings (Note: AL, CA, NJ and WI do tax HSAs).
Flexibility	<ul style="list-style-type: none"> • Calendar Year 2009 Contributions <ul style="list-style-type: none"> - Maximum of \$3,000 (single) or \$5,950 (family), depending on coverage level. • Use to pay your share of medical, dental and vision expenses — now or in future years. • Fund through payroll deductions or by lump sum (check).
Investment control	<ul style="list-style-type: none"> • When account reaches \$1,500, you can invest in mutual fund options from money market funds to more aggressive investment choices; before that, contributions earn pre-tax interest of 3.5% (subject to change).
HSA Administrator	<ul style="list-style-type: none"> • If you elect contributions by payroll deductions: CitiBank is the administrator through WageWorks.
Portability	<ul style="list-style-type: none"> • Take it with you if you leave Valassis; not subject to “use it or lose it” rules.

More Control Over Your Money

- You decide how much to contribute and how to invest.
- You choose when and how to spend money in your HSA.
- You build tax-free savings to spend on eligible health care costs in future — even into retirement!

Investment Options

- Citibank® Health Savings Account

The Citibank® Health Savings Account balances can be invested in mutual funds. Once an account reaches a minimum balance of \$1,500, savings in excess of this amount can be invested in mutual funds. Mutual funds provide accountholders with an alternative to ordinary interest and allow for the possibility of increased returns. Citibank® offers a wide array of no-load funds from best-in-class fund families including:

Large Cap Value	Alliance NFJ Dividend Value
Balanced	Hartford Capital Appreciation
Large Cap Growth	Ivy Capital Appreciation
Mid Cap	Blackrock Midcap Value
Small Cap	First American Small Cap
International	Thornburg Intl Value
Index	Mainstay S&P 500 Index
Fixed Income	John Hancock Bond John Hancock High Yield A
LifeStyle	JHancock Lifestyle Aggressive JHancock Lifestyle Growth JHancock Lifestyle Balanced JHancock Lifestyle Conservative
Money Market	John Hancock Money Market

Are You Eligible to Contribute?

- Eligibility to open an HSA is governed by law.
- An HSA may **not** be opened by an individual who:
 - is covered by other non-qualified medical coverage, such as the Traditional PPO, Medicare, TriCare or TriCare For Life Health Reimbursement Accounts (HRAs).
 - has a spouse with a Health Care Flexible Spending Account.
 - is claimed as a dependent on someone else's tax return.
 - has actually received Veterans' Administration (VA) benefits within the last three months.
 - has a post office box as their address of record.

HSA Contributions

- Once an HSA is opened, there are several choices on how to fund the account:
 - contribute *up to* the HSA maximum allowable limits, on a pre-tax basis, through payroll deductions.
 - contribute either lump sum or installments, on after-tax basis, and take a deduction on federal and state* taxes.
 - choose not to contribute anything in addition to Valassis' contribution.
- Deadline to fund a 2009 Health Savings Account (HSA) outside of payroll deduction is April 15, 2010.

*Four states currently tax HSAs: AL, CA, NJ, WI

Maximum 2009 HSA Employee Contributions

Description	Individual	Individual Plus One and Family
Total Contribution	\$3,000	\$5,950
Company Contribution	\$ 500	\$1,000
Associate Contribution	\$2,500	\$4,950
Catch-up Contribution (if 55 before the end of the plan year)	\$1,000	\$1,000

✓ HSA pays for hundreds of expenses — tax-free!

- HSA funds may be used for eligible un-reimbursed medical expenses (see examples below). Go to www.wageworks.com for other eligible expenses.
 - Medical office visits and prescription drugs
 - Prescription glasses and sunglasses
 - Contact lenses and solutions
 - Laser eye surgery
 - Dental care
 - Adult and child orthodontia
 - Over-the-counter, non-prescription products and medications
 - Chiropractic care and acupuncture

HSA pays for dependents, too!

- Use your HSA to pay for your eligible dependents' health care expenses — even if they're not enrolled in HDHP.
- Eligible dependents include anyone you can legally claim as dependent on federal income tax form.

Some Premiums Are Eligible for Payment

- Non-Eligible medical premiums:
 - Premiums for other health insurance coverage, including dental and vision (except COBRA premiums)
 - MediGap premiums
- Eligible medical premiums:
 - COBRA continuation coverage
 - Any health plan coverage while receiving unemployment compensation
 - If enrolled in Medicare - Medicare premiums and out-of-pocket expenses (Part A, Part B, Medicare HMOs, prescription drug coverage)
 - If enrolled in Medicare - employee share of premiums for employer-based coverage
 - Long-term care insurance premiums

Accessing Your HSA Funds

- Funds must be in account before claims can be paid.
- You decide *how* to access funds:
 - **WageWorks Health Care Card** — just like debit card
 - **Pay My Provider** — direct online payments
 - **Pay Me** — direct transfers to your checking account or checks mailed to your home
 - **Pay Me Back** — traditional reimbursement with claim forms and explanation of benefits forms (EOBs)
- Best way is with WageWorks Health Care Debit Card:
 - Pre-funded with contribution
 - “Funded” with your Valassis’ contributions as made
 - Debit card mailed to home
 - Pay bills online



It's your money. Period.

- HSA goes with you no matter where you go.
- Don't have to be enrolled in a high deductible health plan to withdraw money from HSA.
- Can use HSA even when switch employers or retire.



Health Choice Savings Medical Plan

Shared Mail Associates Currently Enrolled in SmartCare Plus

- Your coverage will automatically default to the Health Choice Savings Plan if you are currently enrolled in the SmartCare Plus Plan.
- If you elect the Health Choice Savings Plan and are eligible for and set up a Health Savings Account with Citibank, you will receive ½ of your HRA SmartCare Plus balance as a Limited Purpose HRA.
- The Limited Purpose HRA can be used for dental and vision expenses only. The balance will carry forward while you are employed by Valassis until you use it.

HSA vs. FSA: A Comparison

	HSA	FSA
<ul style="list-style-type: none"> I am more concerned with saving money for future medical expenses. 	Allows contributions to roll over from year to year.	No roll over benefit. Use it during the Plan year or lose it.
<ul style="list-style-type: none"> I need to have immediate access to funds. 	Contributions must be in your HSA account prior to reimbursement.	Immediate access to funds even if not yet deducted from your paycheck.
<ul style="list-style-type: none"> I prefer to make contributions at my leisure. 	No payroll deduction requirement for contributions. You can write a check at your leisure.	Funds must be contributed via payroll deductions.
<ul style="list-style-type: none"> I want to use my funds for medical and prescription expenses immediately. 	You must be enrolled in a Qualified High Deductible PPO like the Health Choice Savings Medical Plan. Funds in HSA may be used to pay medical expenses at any point. No need to first satisfy the Qualified High Deductible PPO deductible.	If enrolled in the Traditional PPO (Buy-Up and Basic Plans) and you participate in the Traditional FSA, funds may be used to pay medical and prescription drug expenses at any point. No need to first satisfy the Traditional PPO deductible.

HSA vs. FSA: A Comparison (Continued)

	HSA	FSA
<ul style="list-style-type: none"> I am covered by my spouse's medical plan and/or my spouse has an FSA. 	You are not eligible to open an HSA if you are covered by a plan that provides first dollar coverage or your spouse has an FSA.	May contribute to an FSA regardless of spouse's medical coverage or their FSA enrollment.
<ul style="list-style-type: none"> I am/will be over age 55 and would like to save additional funds for future health care expenses. 	Allows additional catch up contribution. Funds may be rolled over from year to year.	No additional contributions are allowed. Funds cannot be rolled over from year to year.
<ul style="list-style-type: none"> I do not want to complete any additional tax forms. 	Requires filing of IRS Form 8889 with annual tax filing.	No additional record keeping or tax filing required.
<ul style="list-style-type: none"> I would like to earn interest and/or invest my money in mutual funds. 	Balances earn interest. Once account reaches certain amount, may invest in mutual funds.	No interest on account funds. No investment opportunity.

HSA vs. FSA: A Comparison (Continued)

	HSA	FSA
<ul style="list-style-type: none">I prefer the certainty of knowing the cost of services and paying for medical care via payroll deductions rather than at the time services are rendered.	Must enroll in a Qualified High Deductible PPO like the Health Choice Savings Medical Plan to be eligible for the HSA. Higher deductible, no co-pays Lower payroll deduction.	May enroll in the Traditional plan (Buy-Up and Basic Plans) and the FSA. Co-pays for office visits. Lower deductible. Higher payroll deduction.





Flexible Spending Accounts



Health Care Flexible Spending Accounts (HCFSA)

- Set aside pre-tax maximum of \$3,500/year.
- Covers all IRS-eligible health care expenses:
 - Deductibles, coinsurance, co-payments
 - Dental, vision, medical services and supplies
 - Over-the-counter medicines
- Save between 20%-40% on eligible expenses by paying expenses with pre-tax dollars.
- Remaining balance does not roll over — use it or lose it!
- Estimate annual expenses carefully.
- Incur 2009 expenses on/before March 15, 2010.
- File 2009 claims on/before April 30, 2010.

Valassis Health Care Flexible Spending Accounts (HCFSA)

- Choice of 2 Health Care Flexible Spending Accounts:
 - Traditional HCFSA (enroll in Basic or Buy-up Plans)
 - Limited Purpose HCFSA (enroll in Health Choice Savings PPO)
- IRS rules govern interaction between HCFSA and HSA.
- Visa Health Care Choice Debit Card issued for use with either 2009 accounts.

Limited Purpose Health Care Flexible Spending Account (HCFSA)

- Eligibility for the Limited Purpose HCFSA:
 - Elect the Health Choice Savings Plan and contribute to an HSA.
- Use for reimbursements of dental and vision expenses.
- Allows for greater tax savings by allowing you to retain more money in your HSA.
- “Use it or lose it” rule applies.
- Maximum contribution limit = \$3,500.



Traditional Health Care Flexible Spending Account (HCFSA)

- Eligibility for the Traditional HCFSA:
 - Elect the Basic or Buy-up plans.
 - Elect a Qualified High Deductible PPO (without HSA).
 - Waive health plan coverage.
- Use for reimbursement of any IRS Code Section 213(d) expenses not reimbursed by the medical plan:
 - Medical plan deductible, coinsurance, co-payments
 - Vision
 - Dental
- “Use it or lose it” rule applies.
- Maximum contribution limit = \$3,500.



Use both HSA and the Limited Purpose FSA — but:

- FSA must reimburse you **only for vision and dental expenses.**
- You can't be reimbursed for same expense by both HSA and FSA.



Dependent Care FSA (DCFSA)

- Available for qualified dependent child/elder day care expenses. Eligible dependents include:
 - Any individual claimed as a dependent for tax purposes
 - Child under age 13
 - Parent or other relative physically or mentally incapable of self-care, living with you a minimum of 8 hours a day
 - Disabled spouse
- Tax ID number (or SSN) required for a qualified expense reimbursement.
- Reimbursement based on account balance at time claim is processed - **NOT** on annual election amount.
- Eligible expenses reimbursable for working parents or students.

Transfers Between the Various Accounts

- Are they allowed? **No!**
- All are separate accounts — HSA, Limited Purpose Health Care FSA, Traditional Health Care FSA and Dependent Care FSA.
- All have separate tax issues.
- IRS regulations require these accounts be kept separate.

So many ways to benefit!

- **Savings** — enjoy **tax-free** contributions, potential interest and investment earnings, and withdrawals.
- **Control** — decide where to invest and how to spend your hard-earned money.
- **Flexibility** — enjoy no-hassle payment options.
- **Security** — know the Health Choice Savings Medical Plan covers you for big expenses, and use tax-free money from HSA to pay eligible expenses not covered by the medical plan.