

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 health care 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?

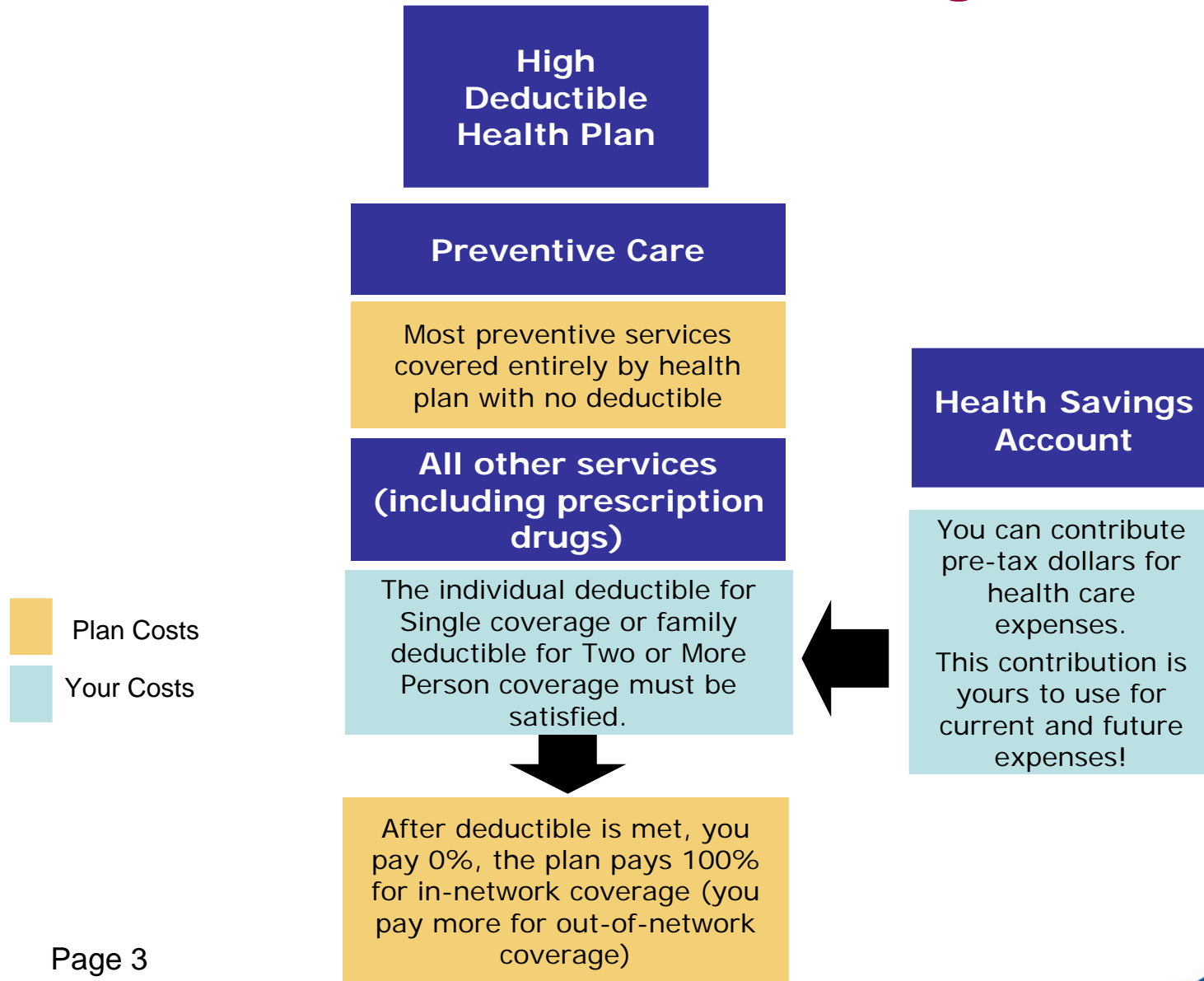
Health Choice Savings Plan

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 In-
Network and you
pay Nothing

Health Savings Account (HSA)

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

Triple Tax-free savings	<ul style="list-style-type: none"> • No taxes when employee or Valassis contributes • No taxes when employee accesses funds for eligible expenses • No taxes on interest earnings (Note: AL, CA, NJ and WI do tax Health Savings Accounts)
Flexibility	<ul style="list-style-type: none"> • Calendar Year 2010 Maximum Contributions - Maximum of \$3,050 (single) or \$6,150 (family), depending on coverage level; if 55 or over, you can contribute an extra \$1,000 • 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 an account reaches \$1,000, you can invest in mutual fund options from money market funds to more aggressive investment choices; before that, contributions earn pre-tax interest of 0.5% (subject to change)
HSA Administrator	<ul style="list-style-type: none"> • If you elect to make contributions through payroll deductions: PNC Global Investment Servicing (member of The PNC Financial Services Group) is the administrator through WageWorks
Portability	<ul style="list-style-type: none"> • Take it with you if you leave Valassis; not subject to the “use it or lose it” rules

More Control Over Your Money

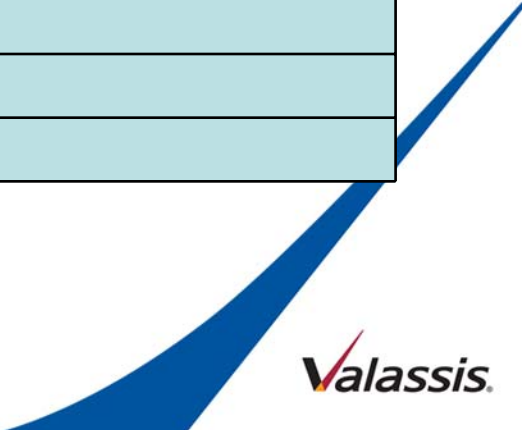
- You decide how much to contribute (up to the maximum) and how to invest
- You choose when and how to spend money in your Health Savings Account
- You can build tax-free savings to spend on eligible health care costs in the future — even into retirement!

Investment Options

- PNC Global Investment Servicing (Formerly PFPC) - Health Savings Account

The PNC Health Savings Account balances can be invested in mutual funds once an account reaches a minimum balance of \$1,000. Mutual funds provide account holders with an alternative to ordinary interest and allow for the possibility of increased returns. PNC Global Investment Servicing offers a wide array of no-load funds from best-in-class fund families including:

Intermediate-Term Government Bond Fund	Managers Intermediate Duration Fund
Intermediate-Term Bond Fund	Harbor Bond Fund
Short-Term Bond Fund	Vanguard ST Investment Grade Fund
Large Cap Growth	Victory Diversified Stock Fund
Small Cap Growth	Artisan Small Cap Fund
Large Cap - International	Dodge & Cox International Growth Fund
Large Cap Blend	Davis New York Venture Fund
Mid Cap Blend	Neuberger Berman Regency Fund
Small Cap Blend	Oppenheimer Small Cap Fund



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 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 an after-tax basis, and take a deduction on federal and state* taxes
 - choose not to contribute anything in addition to the Valassis contribution - available only for newly enrolled associates
- Deadline to fund a 2010 Health Savings Account (HSA) outside of payroll deduction is April 15, 2011.

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

Maximum 2010 HSA Employee Contributions

Description	Individual	Individual Plus One and Family
Maximum Contribution	\$3,050	\$6,150
Company Contributions for new enrollees only	\$ 500	\$1,000
Associate Contributions Existing enrollees	\$3,050	\$6,150
New enrollees	\$2,550	\$5,150
Additional 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 a High Deductible Health Plan
- Eligible dependents include anyone you can legally claim as a dependent on your 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 contributions
 - “Funded” with your Valassis contributions – for newly enrolled associates
 - Debit card mailed to home
 - Pay bills online



It's your money. Period.

- The HSA goes with you no matter where you go
- You don't have to be enrolled in a high deductible health plan to withdraw money from the HSA
- You can use the funds in the HSA even if or when you switch employers or retire



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 Plan 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 \$1,000 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 your account reaches \$1,000, you 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 Plan like the Health Choice Savings Medical Plan to be eligible for the HSA. Higher deductible, no co-pays and lower payroll deduction.	May enroll in the Traditional plan (Buy-Up and Basic Plans) and the FSA. Lower deductible, co-pays for office visits and 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 2010 expenses on/before March 15, 2011.
- File 2010 claims on/before April 30, 2011.

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 2010 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 only
- 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:

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



✓ **New enrollees in the Health Choice Savings Plan in 2010 who have a *Traditional Health Care FSA* in 2009**

- If you are currently enrolled in the Traditional Health Care FSA in 2009 and would like to enroll in the Health Choice Savings Plan for 2010 – you **must** use all of the funds in your FSA by December 31, 2009 or you will **not** be able to make contributions to your Health Savings Account until March 15, 2010.



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 health care expenses, and use tax-free money from HSA to pay eligible expenses not covered by the medical plan