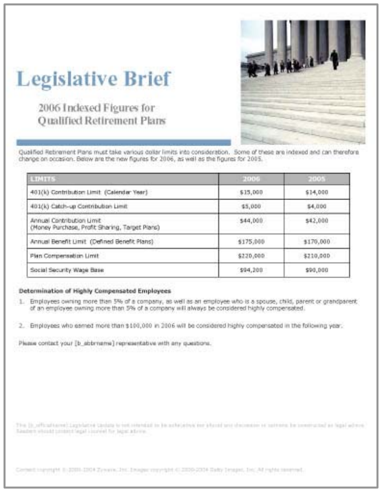
EMPLOYEE BENEFITS SERVICES

We extend many of our value-added services to you electronically through MyWave™, your personal Sullivan Web site. Here is just a sampling of the information that we can deliver to you via the site's Collaboration Center:

Legislative Briefs
2006 Indexed Figures for Qualified Retirement Plans



Legislative Brief

2006 Indexed Figures for Qualified Retirement Plans

Qualified Retirement Plans must take various dollar limits into consideration. Some of these are indexed and can therefore change on occasion. Below are the new figures for 2006, as well as the figures for 2005.

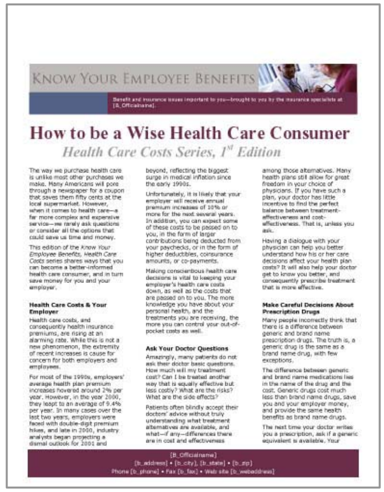
LIMITS	2006	2005
401(k) Contribution Limit (Calendar Year)	$15,000	$14,000
401(k) Catch-up Contribution Limit	$5,000	$4,000
Annual Contribution Limit (Money Purchase, Profit Sharing, Target Plans)	$44,000	$42,000
Annual Benefit Limit (Defined Benefit Plans)	$175,000	$170,000
Plan Compensation Limit	$220,000	$210,000
Social Security Wage Base	$94,200	$90,000

Determination of Highly Compensated Employees

1. Employees owning more than 5% of a company, as well as an employee who is a spouse, child, parent or grandparent of an employee owning more than 5% of a company will always be considered highly compensated.
2. Employees who earned more than $100,000 in 2006 will be considered highly compensated in the following year.

Please contact your [b_abbrname] representative with any questions.

Know Your Employee Benefits
Be a Wise Healthcare Consumer: How to Choose the Right Doctor



KNOW YOUR EMPLOYEE BENEFITS

Benefit and insurance issues important to you—brought to you by the insurance specialists at [B_Officialname].

How to be a Wise Health Care Consumer

Health Care Costs Series, 1st Edition

The way we purchase health care is unlike most other purchases we make. Many Americans will pore through a newspaper for a coupon that saves them fifty cents at the local supermarket. However, when it comes to health care—a far more complex and expensive service—we rarely ask questions or consider all the options that could save us time and money.

This edition of the *Know Your Employee Benefits, Health Care Costs* series shares ways that you can become a better-informed health care consumer, and in turn save money for you and your employer.

Health Care Costs & Your Employer

Health care costs, and consequently health insurance premiums, are rising at an alarming rate. While this is not a new phenomenon, the extremity of recent increases is cause for concern for both employers and employees.

For most of the 1990s, employers' average health plan premium increases hovered around 2% per year. However, in the year 2000, they leapt to an average of 9.4% per year. In many cases over the last two years, employers were faced with double-digit premium hikes, and late in 2000, industry analysts began projecting a dismal outlook for 2001 and beyond, reflecting the biggest surge in medical inflation since the early 1990s.

Unfortunately, it is likely that your employer will receive annual premium increases of 10% or more for the next several years. In addition, you can expect some of these costs to be passed on to you, in the form of larger contributions being deducted from your paychecks, or in the form of higher deductibles, coinsurance amounts, or co-payments.

Making conscientious health care decisions is vital to keeping your employer's health care costs down, as well as the costs that are passed on to you. The more knowledge you have about your personal health, and the treatments you are receiving, the more you can control your out-of-pocket costs as well.

Ask Your Doctor Questions

Amazingly, many patients do not ask their doctor basic questions. How much will my treatment cost? Can I be treated another way that is equally effective but less costly? What are the risks? What are the side effects?

Patients often blindly accept their doctors' advice without truly understanding what treatment alternatives are available, and what—if any—differences there are in cost and effectiveness among those alternatives. Many health plans still allow for great freedom in your choice of physicians. If you have such a plan, your doctor has little incentive to find the perfect balance between treatment-effectiveness and cost-effectiveness. That is, unless you ask.

Having a dialogue with your physician can help you better understand how his or her care decisions affect your health plan costs? It will also help your doctor get to know you better, and consequently prescribe treatment that is more effective.

Make Careful Decisions About Prescription Drugs

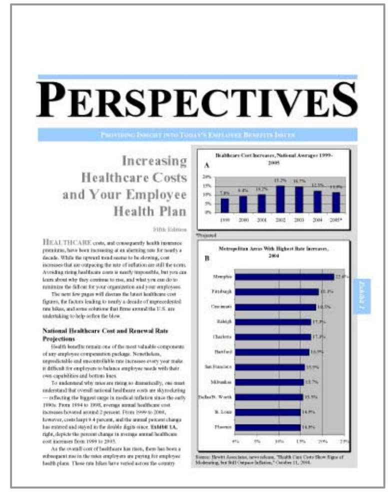
Many people incorrectly think that there is a difference between generic and brand name prescription drugs. The truth is, a generic drug is the same as a brand name drug, with few exceptions.

The difference between generic and brand name medications lies in the name of the drug and the cost. Generic drugs cost much less than brand name drugs, save you and your employer money, and provide the same health benefits as brand name drugs.

The next time your doctor writes you a prescription, ask if a generic equivalent is available. Your

[B_Officialname]
[b_address] • [b_city], [b_state] • [b_zip]
Phone [b_phone] • Fax [b_fax] • Web site [b_webaddress]

Articles & Brochures
Increasing Health Care Costs and Your Employee Health Plan

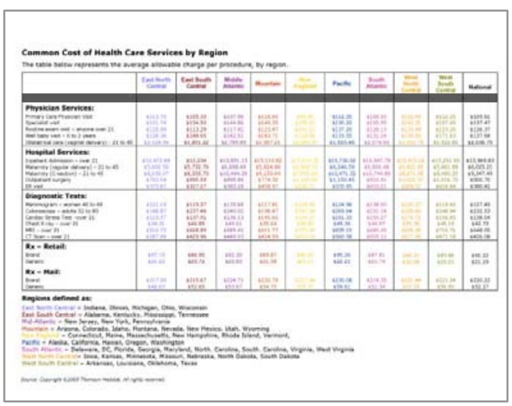


PERSPECTIVES

Increasing Healthcare Costs and Your Employee Health Plan

Fifth Edition

Health Care Costs
Common Cost of Health Care Services by Region



Common Cost of Health Care Services by Region

The table below represents the average allowable charge per procedure, by region.

Live Well, Work Well
Fitness First: Exercise and Healthy Eating

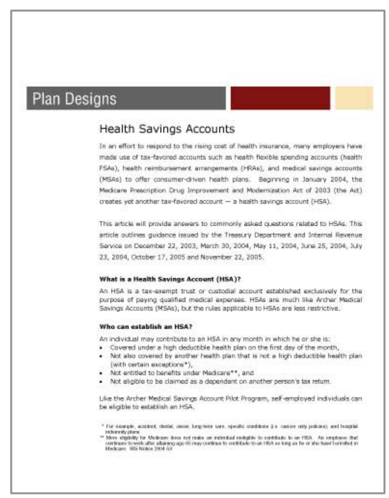
live well, work well

Fitness First

Exercise and Healthy Eating

What Can Burning 150 Calories A Day Do For You?

Plan Design
Health Savings Accounts



Plan Designs

Health Savings Accounts

In an effort to respond to the rising cost of health insurance, many employers have made use of tax-favored accounts such as health flexible spending accounts (health FSAs), health reimbursement arrangements (HRAs), and medical savings accounts (MSAs) to offer consumer-driven health plans. Beginning in January 2004, the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the Act) creates yet another tax-favored account — a health savings account (HSA).

This article will provide answers to commonly asked questions related to HSAs. This article outlines guidance issued by the Treasury Department and Internal Revenue Service on December 22, 2003, March 30, 2004, May 11, 2004, June 25, 2004, July 23, 2004, October 17, 2005 and November 22, 2005.

What is a Health Savings Account (HSA)?

An HSA is a tax-exempt trust or custodial account established exclusively for the purpose of paying qualified medical expenses. HSAs are much like Archer Medical Savings Accounts (MSAs), but the rules applicable to HSAs are less restrictive.

Who can establish an HSA?

An individual may contribute to an HSA in any month in which he or she is:

- Covered under a high deductible health plan on the first day of the month,
- Not also covered by another health plan that is not a high deductible health plan (with certain exceptions*),
- Not entitled to benefits under Medicare**, and
- Not eligible to be claimed as a dependant on another person's tax return.

Like the Archer Medical Savings Account Pilot Program, self-employed individuals can be eligible to establish an HSA.