

AMERICAN FIDELITY ASSURANCE COMPANY
SECTION 125 BENEFIT ELECTION FORM / SALARY REDUCTION AGREEMENT

Name of Employer _____

Name of Employee _____

Social Security Number _____

Plan Year
From _____, to _____

Employee Email Address: _____

SECTION 125 BENEFIT ELECTION

I understand that my employer is allowing the following amounts for the purchase of benefits under the Section 125 Flexible Benefit Plan:

\$ _____ Maximum salary reduction contribution per _____. Amounts not used for benefits will be taxable income.

\$ _____ Employer non-elective contribution per _____. Amounts not used for
 will will not be paid as taxable income.

Should the cost of the benefits elected exceed amounts allowed under the plan, the excess amount will be payroll deducted from after-tax dollars.

Please indicate which benefits you wish to select:

BENEFIT	EFFECTIVE DATE	COMPANY/ PLAN	SECTION 125 BEFORE TAX	AFTER-TAX DEDUCTION	EMPLOYER PAID
<input type="checkbox"/> Medical Insurance	_____	_____	_____	_____	_____
<input type="checkbox"/> Disability Income*	_____	_____	_____	_____	_____
<input type="checkbox"/> Cancer Policy**	_____	_____	_____	_____	_____
<input type="checkbox"/> Group Life	_____	_____	_____	_____	_____
<input type="checkbox"/> _____	_____	_____	_____	_____	_____
<input type="checkbox"/> _____	_____	_____	_____	_____	_____
<input type="checkbox"/> Dependent Care	_____	_____	_____	_____	_____
<input type="checkbox"/> Med. Exp. Reimb.	_____	_____	_____	_____	_____
<input type="checkbox"/> Admin. Fee	_____	_____	_____	_____	_____
TOTALS			[]	[]	[]

* This benefit will result in taxable income if selected on a before-tax basis.

** When indemnity premiums are pre-taxed, benefits paid in excess of the medical expenses incurred could be taxable.

Terms and Conditions

I hereby authorize the above payroll reductions as my contribution to my Employer's Section 125 Cafeteria Plan.

I understand that:

- Changes in the cafeteria plan elections can only be made at the end of the plan year unless due to and consistent with a valid status change (e.g., change in legal marital status; change in number of dependents; change in employment status; dependent satisfies or ceases to satisfy dependent eligibility requirements; residence change), cost or coverage changes, and such other events as would permit a revocation or change of election under IRC 125 regulations. Participation in this plan will automatically cease upon termination of employment. In most cases NO change may be made in the Medical Expense Reimbursement Account except for termination of participation due to termination of employment. For special rules affecting your plan, please contact your employer. FICA taxes are not paid on Section 125 salary reduction; therefore, social security benefits at retirement may be reduced. Unused funds remaining in the flexible spending accounts at the end of the current plan year will be forfeited.

- Execution of this benefit election/salary reduction agreement does not automatically institute insurance coverage; in most instances an application for insurance must be completed. Premiums charged for insurance coverage may be adjusted by the insurance carrier issuing the contract and my "take-home" pay may be higher or lower depending on the selections made.

This authorization replaces any previous authorization I have made.

Participate

Waive Participation

Date: _____ Signature of Employee: _____