

Activity: Evaluate and Select Benefits

- 1.** Review the attached information - a cafeteria plan of benefit choices, along with their dollar value, is shown in the document.
- 2.** Assume that your salary is \$1,600 per month and that your total benefits package (including salary) can total up to \$2,000.
- 3.** Review and evaluate the list of benefits offered. Decide which ones would be of the most value to you. You can go over \$2,000 in total pay and benefits costs only if you wish to have any payments over \$2,000 deducted from your paycheck.
- 4.** Indicate your choices on the form.

CAFETERIA PLAN BENEFIT CHOICES

	<u>Per Month</u>
Health insurance choices: (You must choose one.)	
<input type="checkbox"/> HMO Choice 1, \$5 co-pay	\$333.00
<input type="checkbox"/> HMO Choice 2, \$10 co-pay	\$295.00
<input type="checkbox"/> PPO Choice 1, \$300 deductible, no co-pay	\$345.00
<input type="checkbox"/> PPO Choice 2, \$1,000 deductible, no co-pay	\$275.00
Dental insurance choices: (You may choose one or none of the options.)	
<input type="checkbox"/> \$100 deductible plan, 80% of costs	\$ 55.00
<input type="checkbox"/> \$500 deductible plan, 90% of costs	\$ 30.00
Vision insurance choices: (You may choose one or none of the options.)	
<input type="checkbox"/> 80% paid, 20% co-pay, no contacts	\$ 15.00
<input type="checkbox"/> 100% paid, contacts included	\$ 30.00
Life insurance choices: (You must choose at least the basic insurance. You may take a more expensive option, but you may not opt out altogether.)	
<input type="checkbox"/> Basic \$10,000 policy (minimum required)	\$ 11.00
<input type="checkbox"/> \$25,000 policy	\$ 20.00
<input type="checkbox"/> \$50,000 policy	\$ 30.00
Disability insurance choices: (You must choose at least the basic insurance. You may take a more expensive option, but you may not opt out altogether.)	
<input type="checkbox"/> Basic plan, 75% of pay, 30-day short term and 90-day long-term benefits	\$ 18.00
<input type="checkbox"/> Deluxe plan, 85% of pay, 30-day short term and 150-day long-term benefits	\$ 30.00
401(k) contribution:	
<input type="checkbox"/> The amount that can be contributed changes each year. For this exercise, use no more than \$1,250.00 per month as the savings plan amount.	\$ _____
Stock purchase plan: (The company does not match contributions.)	
<input type="checkbox"/> Up to 3% of gross pay can be used to buy company stock.	\$ _____
Total of Your Choices	\$ _____
Your Total Pay and Benefit Package Paid by Employer	\$ 2,000.00
Balance	\$ _____
This amount will be deducted from your paycheck or, if there is a surplus, added to your retirement account.	