

It's Your Money



Dependent Care Expenses

If you have children under age 13, or are responsible for any other dependent who is incapable of caring for him or herself and whose principal residence is your home, you may deduct your dependent care expenses. See your American Mutual Benefits representative for more information.

More Good News!

American Mutual Benefits offers several reward programs for participants.

Right NOW!

American Mutual Benefit's **NOW** plan helps you get a tax refund right **NOW!** With **NOW**, the taxes you pay on out-of-pocket medical and day care expenses are refunded to you monthly. If you wait until the end of the year to file medical expenses with your tax return, the IRS requires you to deduct 7½% of your income before you receive any refund; that means most people don't get refunds. Using **NOW** there is no deduction, you get your full refund. For example, if you are in the 25% tax bracket (state, federal, social security and Medicare) and your out-of-pocket expenses were \$600 for the month, you are going to get back \$150* in the same month that you report them to us.

* A small fee would be deducted from this amount for our services.

...Keep More of It!®

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Section 125 Cafeteria Plan
Unreimbursed Medical Expenses

First, the Good News

The government is actually letting you keep more of your own money through the IRS Cafeteria 125 plan. As a result, Cafeteria Plans have become one of the most popular fringe benefits offered to employees.

Why Participate?

It's your money...keep more of it! By participating in American Mutual Benefit's Section 125 NOW plan, you and your company are working together to put more money in your pocket. By deducting your unreimbursed medical expenses & dependent care from your taxable payroll, you'll be receiving a larger take-home check.



How It's Done

Just keep receipts of all medical type expenses, except those that are covered by your insurance. Each month, list those expenses on our form, attach copies of your receipts and fax or email the report to us. We will handle the rest of the process, including seeing your payroll department gets the information needed to reduce your payroll taxes, which will result in a larger take-home check to you.

Your Employer

You're probably asking yourself, why would your company go to the trouble of adjusting your payroll check? The reason is that by reducing your gross pay, the company also pays less tax. The taxes they pay are based on your taxable income. Reducing your taxes is a win-win for both of you.

The following example is based on a person with a gross income of \$2,000 and in a 25% tax bracket when combining Federal and State taxes.

	No Plan	Plan Without Dependent Care	Plan With Dependent Care
Monthly Gross Income	\$2,000	\$2,000	\$2,000
Less: Plan Deductions	\$0	-\$215 ¹	-\$636.66 ²
Taxable Income	\$2,000	\$1,785	\$1,363.34
Employee Gross Income	\$2,000	\$2,000	\$2,000
Taxes & Fees*	-\$500	-\$461.25 ³	-\$360.84 ³
Take Home Pay	\$1,500	\$1,538.75	\$1,639.16

¹ Deductions are: \$200 unreimbursed medical, \$15 fees.

² Deductions are: \$416.66 day care, \$200 unreimbursed medical, \$20 fees.

³ Tax deductible fees noted from footnotes 1 or 2 are included.

Our Part

We provide the forms and information you need for this program. We are always available to answer your questions. We verify that your paperwork meets IRS code. We prepare and issue the necessary information for your payroll department. We help set up the required insurance plan and we assist in your yearly renewals.

What's Deductible?

You can deduct a broad range of health care fees, such as those for:

- Co-payments
- Medical personnel
- Medical Equipment
- Prescriptions
- Dentists
- Therapists
- And Much More

For more information visit www.ambnow.com

Drugs & Medical Devices

Over-the-counter (OTC) drugs and medicines require a prescription to qualify as a deduction. Medical devices may not need a prescription to be deductible such as:

- Hearing aids & braille supplies
- Oxygen
- Ambulance
- Artificial limbs & teeth
- Thermometers
- Crutches
- Reading glasses
- Support devices
- Medical rental equipment
- Medical transportation
- And Much More

For more information visit www.ambnow.com