



Patty Contreras, Broker

www.TheSterling-Ins.com

Dear Client,

Last month I mentioned the necessity of children's immunization in advance of the school year. And, due to mass marketing campaigns and television advertisements we know that October is National Breast Awareness Month and kick start to the flu season.

So, now that we know what we must do to take care of ourselves and our immediate family, what about our parents?

Do you and your spouse worry about your parents, who are already in, or approaching, the Medicare system? News of federal budget cuts can be scary to both the elderly and their children who must think about the possibility that they might have to financially take care of their parents.

There are many supplements and Medicare Advantage Plans available that can possibly help to off-set such costs. I would be happy to discuss various options that might be available to you.

I speak from experience. For many years my grandparents lived with me where, Jesse and I provided for them. At that time we were full-time employees in the corporate world with constricted schedules. We couldn't take time off from work every time they had a doctor's appointment, or make it to the pharmacy in time before they closed to pick-up their prescriptions. If it wasn't for supplements, free shuttles and such we would not have been able to provide for them as we did.

Grandma (88 years young) and Grandpa (94 years younger) now live with my Mom who is paying a fortune for assistance care. If my family and I had a trusted agent with knowledge of opportunities available to us 10 years ago we would have planned accordingly, which could conceivably have resulted in cost savings to us now.

Let's explore together whether or not we can reduce or off-set some of these financial obligations that you might inherit.

Wishing you all a wonderful start into the fall season.

Sincerely,

Patty Contreras

CIGNA's HSA Qualified Health Plan

What is HSA? **Health Savings Account.** This tax-free ^(a) account works with traditional medical and pharmacy coverage. Your HSA-qualified plan consists of these key components:

1. **Savings account** – that you establish and can use to pay for health care expenses. The contributions are tax-free (subject to federal limits and/or annual maximum) ^(b).
2. **Deductible** – the amount you must pay for eligible health expenses before your health plan kicks in with benefits.
3. **Health plan** – with an annual out-of-pocket maximum once your deductible is met.

Here's how it works:		
Your Health Savings Account	Your Deductible	Your CIGNA Health Plan
<p>You establish a tax-free ^(a) health savings account through JP Morgan Chase (www.chase.com/hsa) or the bank of your choice. You can contribute any amount you wish to this account, up to the current federal limit. ^(b)</p> <p>You can decide how and when to use these funds – you can either use them to pay for your health care expenses, or save them.</p> <p>The amount used from your savings account for services covered under your plan helps you meet your annual deductible. Whatever you don't use in a given year earns interest and rolls over to the next.</p>	<p>A deductible is the amount you must pay for eligible health expenses before your health plan provides coverage.</p> <p>You can meet your deductible by using your health savings account, your own money, or both.</p> <p>Only services by your health plan count toward your deductible (See your Summary of Benefits for details).</p>	<p>Once you meet your deductible, you pay pre-determined amounts for certain expenses, called coinsurance. The plan pays for the rest.</p> <p>What's more, your deductible counts toward your out-of-pocket maximum (which includes your deductible); your plan pays covered expenses at 100%.</p>

a) In California, contributions are prior to federal taxes but after state income tax. Employer contributions, earned interest and investment income are all taxable as gross income for state income tax purposes.

b) Your annual contribution is limited to \$2900 for individuals/\$5800 for families. (These are 2008 limits. Limits for future years will be set by the IRS.)

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