

NAME: _____

DATE: _____

VIDEO

Understand Your Plan

What + Why: Health insurance and retirement benefits can affect what someone pays now, what they may need to handle on their own, and how financially stable they may be later.



Manager: Congrats! Today marks 30 days since you started working at Burger Palace! It's time for you to select your medical and retirement benefits. You'll make your selections now, but your health insurance coverage won't begin until you reach 60 days of employment, while retirement savings can begin right away. Even if you decide not to enroll, you will still need to opt out by declining benefits.

Manager: As we review the medical insurance coverage options, keep in mind, declining insurance means you would pay the full cost of medical care yourself unless you're already covered by a spouse or parent's plan. Even a single illness or accident could lead to large, unexpected bills and long-term financial strain. If you are covered by a spouse or parent, you can still add more coverage, but you'll want to talk it over with them first to ensure it's a good fit for you financially and based on your health needs.



Manager: These are the three health insurance options Burger Palace offers. There's a bronze plan, a silver plan and a gold plan. Before we review each plan, let me define a few terms.

Bronze Plan		Silver Plan		Gold Plan	
Monthly Premium		Monthly Premium		Monthly Premium	
Employee	\$75/month	Employee	\$90/month	Employee	\$150/month
Family	\$250/month	Family	\$300/month	Family	\$400/month
Deductible (Annual)		Deductible (Annual)		Deductible (Annual)	
Employee	\$3,000	Employee	\$1,500	Employee	\$750
Family	\$6,000	Family	\$3,000	Family	\$1,500
Co-Pay		Co-Pay		Co-Pay	
Primary Care	\$25	Primary Care	\$25	Primary Care	\$25
Specialist	\$50	Specialist	\$50	Specialist	\$50

The **premium** is the amount you will pay for that insurance policy even if you never use it. This amount will be automatically deducted from your paycheck each time to keep your health insurance active.

The **deductible** is the money paid out-of-pocket before insurance covers the remaining costs.

The **co-pay** is a fixed fee an insured person must pay for a doctor's visit, an outpatient service, or a prescription. With all our plans, you'll have a \$25 co-pay when you see your primary care doctor for routine checkups and care and a \$50 co-pay when you see a specialist who focuses on a specific area of medicine, such as a dermatologist and cardiologist.

Let's take a look at the plans. Plans with a lower premium and higher deductible, like the Bronze Plan, are a good option for individuals and families who are in good health and only need coverage for basic care or emergencies.

The Silver Plan is a middle-ground option. It may be a good choice for individuals and families who anticipate some medical use but want to keep monthly premiums lower than the highest-cost plan.

The Gold Plan has a higher premium and a lower deductible, which can reduce out-of-pocket costs for individuals or families who expect frequent or more complex medical care.

Question 1

Which plan feels like the best fit for you considering your current situation?

Monthly income: \$2,500.

Bronze Plan		Silver Plan		Gold Plan	
Monthly Premium		Monthly Premium		Monthly Premium	
Employee	\$75/month	Employee	\$90/month	Employee	\$150/month
Family	\$250/month	Family	\$300/month	Family	\$400/month
Deductible (Annual)		Deductible (Annual)		Deductible (Annual)	
Employee	\$3,000	Employee	\$1,500	Employee	\$750
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Co-Pay		Co-Pay		Co-Pay	
Primary Care	\$25	Primary Care	\$25	Primary Care	\$25
Specialist	\$50	Specialist	\$50	Specialist	\$50

- ☐ a. Bronze — I'm looking for basic coverage.
- ☐ b. Silver — This option feels like a middle ground.
- ☐ c. Gold — I want the highest level of coverage.
- ☐ d. Decline — I'll pass on insurance for now.

Answer: There is no right or wrong answer here. Your specific situation should impact the answer you chose. The Bronze Plan is a good option if you are in good health and need basic health insurance. The Silver Plan is a good option if you have minor medical issues and may need to seek care from a specialist more often. The Gold Plan is the best fit if you have significant medical issues and need to seek medical attention frequently. You could also choose to decline coverage if you are currently using a spouse or parent's health insurance plan.

Manager: Now let's take a look at the retirement savings plan. Enrolling allows you to begin setting money aside for your future through automatic paycheck contributions. Starting early gives your savings more time to grow and can make a meaningful difference over time. It's one way to help reduce financial stress later in life.

The **employee contribution** is the percentage of your paycheck that you choose to put into the retirement savings plan. With this plan, you can contribute up to 3% of each paycheck.

The **employer contribution** is the amount your employer adds to your retirement savings plan when you contribute. Burger Palace will match your contribution up to 3% of your paycheck.

If you enroll, the **contribution date** is the date when money will start being deducted from your paycheck and added to your retirement savings plan.

Consider what percentage of your paycheck you would like to contribute to the retirement savings plan. You may choose zero percent if you prefer not to contribute at this time. If you're considering contributing zero percent, you would not participate in the employer-sponsored plan or receive the company's match of up to 3% of your pay. While you can save on your own, doing so requires consistent effort to reach the same level of growth. If you contribute, your savings will be deducted automatically from each paycheck, and the company will match your contributions up to 3%.

What percentage of your paycheck feels comfortable for you to contribute to retirement right now? Choose a percentage between 0% and 3%.

If you contribute zero percent, you would not participate in the employer-sponsored plan or receive the 3% match.

If you contribute, your savings will be deducted automatically and the company will match your contributions up to 3%.

Plan Summary

Plan Name

Burger Palace Retirement Savings Plan

Employee Contribution

3% of eligible pay (per paycheck)

Employer Contribution

100% match up to 3% of eligible pay

Contributions Begin

First paycheck after enrollment

Question 2

Which amount shows how much you pay before insurance starts helping with most medical costs?

- ☐ a. Co-pay
- ☐ b. Deductible
- ☐ c. Premium
- ☐ d. Primary Care

Answer: b. The deductible is the amount you must pay out-of-pocket before your insurance begins helping with medical expenses.

Question 3

If you don't use your health insurance benefits, you don't have to pay the monthly premium.

- ☐ a. True
- ☐ b. False

Answer: b. False. The monthly premium is automatically deducted from your pay each month to keep your health insurance active—even if you never use your coverage.

Question 4

Bronze Plan		Silver Plan		Gold Plan	
Monthly Premium		Monthly Premium		Monthly Premium	
Employee	\$75/month	Employee	\$90/month	Employee	\$150/month
Family	\$250/month	Family	\$300/month	Family	\$400/month
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Employee	\$3,000	Employee	\$1,500	Employee	\$750
Family	\$6,000	Family	\$3,000	Family	\$1,500
Co-Pay		Co-Pay		Co-Pay	
Primary Care	\$25	Primary Care	\$25	Primary Care	\$25
Specialist	\$50	Specialist	\$50	Specialist	\$50

Tanya works at Burger Palace. She is married and has two children. How much will come out of her paycheck each month if she chooses the Silver Plan?

- ☐ a. \$75
- ☐ b. \$90
- ☐ c. \$300
- ☐ d. \$400

Answer: c. Because Tanya is covering herself, a spouse, and children, the family premium applies. For the Silver Plan, that amount is \$300 per month.

Question 5

Why does contributing to an employer-sponsored retirement plan often result in greater total savings than saving the same amount on your own?

- ☐ a. Employer plans usually have lower monthly fees
- ☐ b. Employer plans often include matching contributions that add extra money to your savings
- ☐ c. Employer plans guarantee higher investment returns
- ☐ d. Employer plans do not require money to be taken from your paycheck

Answer: b. Employer-sponsored retirement plans often include matching contributions, which add extra money to your savings beyond what you could save on your own.

Question 6

Why could the health insurance plan with a higher monthly premium result in lower overall costs for someone who needs frequent medical care?

- ☐ a. The lower deductible means insurance begins helping with medical expenses sooner.
- ☐ b. Higher premiums mean co-pays are no longer required for medical visits.
- ☐ c. Monthly premiums replace most out-of-pocket medical costs.
- ☐ d. All medical services are fully covered.

Answer: a. The Gold Plan has a higher premium, but a lower deductible, which means insurance begins helping with medical expenses sooner. When someone needs medical care often, reaching the deductible earlier can reduce overall out-of-pocket costs.

Key Terms:

- **premium:** the amount paid for an insurance policy
- **deductible:** money paid out-of-pocket before insurance covers the remaining costs
- **co-pay:** a fixed fee an insured person must pay for a doctor's visit, an outpatient service, or a prescription
- **employee contribution:** the amount of a paycheck that an employee chooses to put into a retirement savings plan
- **employer contribution:** the amount an employer adds to an employee's retirement savings plan when they contribute