Power Move #22
Open Enrollment:
Know Your Coverage, Keep Your Cash!

Free Virtual Coaching
30-minutes w/ Mr. Norman

Navigating open enrollment choices can feel complex. Before evaluating additional voluntary coverage options, it is helpful to know what employer-provided benefits you already have! Here is a highly practical, stress-free Power Move to help you navigate open enrollment with confidence.

Protect Your Family:

Understand what benefits you already have, and what you may need.

Assess: What You Already Have To ensure you only pay for coverage you truly need, let's first review the baseline benefits provided to you by the State.

- **State Health Plan (SHP):** Access to the heavily subsidized State Health Plan (Standard PPO, Plus PPO, or HDHP), which includes vital coverage like mental health and preventive care. A 2026 Update*:* The state rolled out a new "Preferred Provider" tier system; if you choose in-network providers, you will see significantly lower out-of-pocket costs and deductibles.
- **Retirement (TSERS):** State employees automatically enrolled in this defined benefit pension plan, contributing 6% of pre-tax salary. Typically vested after 5 years, educators can earn a secure monthly income for life based on years of service and average final compensation. Access to supplemental 401(k) and 457(b) plans also provided, along with your district's 403(b) plan.
- **Death Benefit**: Once you have made at least one year of contributions to the state retirement system, you automatically qualify for a state-provided death benefit paid by the employer. If you pass while in active service, your designated beneficiary will receive a single lump-sum payment: a minimum of $25,000 up to maximum of $50,000.
- **Disability Insurance:** If you participate in the Teachers' and State Employees' Retirement System (TSERS), you are provided with basic short-term disability (STD) and long-term disability (LTD) coverage at *no cost* through the Disability Income Plan of North Carolina (DIP-NC).
- **Paid Parental Leave:** The State provides up to eight weeks of paid parental leave at 100% of your regular pay for birthing parents (four weeks for recuperation, four for bonding), and four weeks for non-birthing, adoptive, or foster parents.

Address: What You Might Need Now that you know your baseline, here is what you actually *might* need to purchase to fill the gaps, keeping your long-term security in mind:

- **Term Life Insurance** (The Death Benefit)**:** Because your benefit is capped at $50,000, this is rarely enough to fully protect a growing family. Purchasing a 10-, 20- or 30-year "Term Life" policies meet this need, securing a much larger death benefit (e.g. $50k, $1 million or more) for relatively little money at a **fixed** (level-term) **rate** for the life of the policy. Term life insurance is normally far **less expensive** than other forms of life insurance.[1] Consider using an aggregator like Policygenius or SelectQuote to research your options.

[1] Best Term Life Insurance Companies of 2026, Forbes Advisor

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- **FSA (Flexible Spending Account)** A flexible spending account (FSA) is an employer-sponsored health benefit. You can use an FSA to pay for IRS-approved medical expenses for yourself, your spouse, and qualifying dependents with tax-free dollars. In 2026, the most you can put into a health FSA is $3,400. If you don't use all the money in your FSA by the end of the year, you may end up losing some or all of those funds.
- **DCFSA (Dependent Care FSA)** a pre-tax benefit account used to pay for eligible dependent care services, such as preschool, summer day camp, before or after school programs, and child or adult daycare. Reduce your overall tax burden - funds are withdrawn from your paycheck for deposit into your account before taxes are deducted: save up to 30 percent on dependent care services.

Audit: Check Your Blind Spots Annually

- **Update** your dependents and beneficiaries. Divorce, new child, adoption, and other life events are best addressed sooner rather than later. Be sure your assets are directed as you intend them to be.
- **Evaluate** your specific family situation, your debts, and your savings. Audit the marketing materials you receive: Evaluate voluntary benefits to avoid unnecessary duplicate coverage. Redirect those premium dollars toward saving and investing in your own long-term wealth.

No open enrollment election will cause irreparable harm, and there are many ways to both protect your family and improve your financial fitness at the same time. By understanding exactly what you already have and only buying what you truly need, you are taking complete control of your financial roadmap. You can do this!

Take10™ is here to help should you need it.

David Norman
Chief Ambassador, Take10™ for Financial Fitness

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