Buttons are 3 dimensional objects. Your printed image has to cover the face of the button, wrap around the sides, and get tucked in behind the pinned back.

The green circle represents the safe area in which you should keep all the text and crucial elements you want to show up on the front of the button.

The red circle is where the image starts to wrap around the sides.

The area between the red circle and the gray circle is the side of the button.

Perimeter Text shows up on the side of the button and is a good place to put a website address, phone number, or copyright info, but is optional.

Everything beyond the gray circle is completely hidden behind the pinned back. However, it is still important that you extend the background all the way to the cut line.