

**Employer's Pricing Illustration - Flex Plan
10 People with Annual Elections of \$7,700**

	<u>Without Flex Plan</u>	<u>Year 1 With Flex Plan</u>	<u>Year 2 With Flex Plan</u>		
1 GROSS PAYROLL	\$250,000	\$250,000	\$250,000		
2 (LESS) FLEX PLAN ELECTION	\$0	(\$7,700)	(\$7,700)		
3 TAXABLE PAYROLL	<u>\$250,000</u>	<u>\$242,300</u>	<u>\$242,300</u>		
4 PAYROLL TAXES @ 7.65%	<u>\$19,125</u>	<u>\$18,536</u>	<u>\$18,536</u>		
5 PAYROLL TAX SAVINGS WITH PLAN		\$589	\$589		
7 (LESS) FEES FOR ADMINISTRATIVE SERVICES		(\$300)	(\$300)		
8 (LESS) FEES FOR ENROLLMENT		(\$150)	(\$150)		
9 (LESS) OTHER FEES		<u>(\$500)</u>	<u>(\$150)</u>		
PRE-TAX PLAN SAVINGS/(COSTS)		(\$361)	(\$11)		
(LESS) TAX (EXPENSE)/CREDITS @ 34%		(\$123)	(\$4)		
AFTER-TAX PLAN SAVINGS/(COSTS)		<table border="1"><tr><td>(\$238)</td></tr></table>	(\$238)	<table border="1"><tr><td>(\$7)</td></tr></table>	(\$7)
(\$238)					
(\$7)					
MEMO: AFTER-TAX SAVINGS TO PARTICIPANTS @		<table border="1"><tr><td>\$1,900</td></tr></table>	\$1,900	<table border="1"><tr><td>\$1,900</td></tr></table>	\$1,900
\$1,900					
\$1,900					

NOTES:

- 2 Assumes 4 people will use Unreimbursed Medical account (averaging \$60/mo); and 1 person will use Dependent Care account (averaging \$400/mo).
- 4 Primarily FICA (7.65% up to \$90,000 in 2005, then 1.45%).
- 7 Monthly administration fees at \$6.00 per participant (no charge for premium only) (minimum billing of \$300) for: claims processing, recordkeeping, quarterly statements, daily hotline access, "use it or lose it reminder."
- 8 Enrollment fees of \$150 for: enrollment materials, group meetings, individual counseling and confirmations.
- 9 Set-up for the Plan Year, testing, Form 5500, and Plan Documents.