

**Employer's Pricing Illustration - Flex Plan
100 People with Pre-Tax Elections of \$39,000**

		Year 1	Year 2
	Without Flex Plan	With Flex Plan	With Flex Plan
1	GROSS PAYROLL	\$3,000,000	\$3,000,000
2	(LESS) FLEX PLAN ELECTION	\$0	(\$39,000)
3	TAXABLE PAYROLL	\$2,961,000	\$2,961,000
4	PAYROLL TAXES @ 8.0%	\$240,000	\$236,900
5	PAYROLL TAX SAVINGS WITH PLAN	\$3,100	\$3,100
6	(LESS) FEES FOR FLEX PLAN ADMINISTRATION	(\$2,100)	(\$2,100)
7	(LESS) FEES FOR ENROLLMENT	(\$600)	(\$600)
8	(LESS) OTHER FEES	(\$1,000)	(\$250)
	PRE-TAX PLAN SAVINGS/(COSTS)	(\$600)	\$150
	(LESS) TAX (EXPENSE)/CREDITS @ 34%	(\$204)	\$51
	AFTER-TAX PLAN SAVINGS/(COSTS)	(\$396)	\$99
MEMO:	AFTER-TAX SAVINGS TO PARTICIPANTS @ 25%	\$9,750	\$9,750

NOTES:

- 2 Assumes 25 people (25%) will use Unreimbursed Medical account (averaging \$50/mo) and 5 people (5%) will use Dependent Care account (averaging \$200/mo).
- 4 Primarily FICA (7.65% up to \$90,000 in 2005, then \$1.45%).
- 6 Monthly administration fees at \$7.00 per participant (no charge for premium only). Minimum monthly billing of \$100 per month for: claims processing, recordkeeping, cash management, quarterly statements, daily hotline access, "use it or lose it reminder."
- 7 Enrollment fees of \$6 per eligible employee for (minimum billing \$250): enrollment materials, group meetings, individual counseling and confirmations.
- 8 Set-up for the Plan Year, forms production, testing, Form 5500 (if required), and Plan Documents.