

**Employer's Pricing Illustration - Flex & TFA Plans
100 People with Pre-Tax Elections of \$70,000**

	<u>Without Flex Plan</u>	<u>Year 1 With Flex Plan</u>	<u>Year 2 With Flex Plan</u>
1 GROSS PAYROLL	\$3,000,000	\$3,000,000	\$3,000,000
2 (LESS) FLEX PLAN ELECTION	\$0	(\$70,000)	(\$70,000)
3 TAXABLE PAYROLL	\$3,000,000	\$2,930,000	\$2,930,000
4 PAYROLL TAXES @ 8.0%	\$240,000	\$234,400	\$234,400
5 PAYROLL TAX SAVINGS WITH PLAN		\$5,600	\$5,600
6 (LESS) FEES FOR FLEX PLAN ADMINISTRATION		(\$2,100)	(\$2,100)
7 (LESS) FEES FOR TFA ADMINISTRATION		(\$2,160)	(\$2,160)
8 (LESS) FEES FOR ENROLLMENT		(\$600)	(\$600)
9 (LESS) OTHER FEES		(\$1,000)	(\$250)
PRE-TAX PLAN SAVINGS/(COSTS)		(\$260)	\$490
(LESS) TAX (EXPENSE)/CREDITS @ 34%		(\$88)	\$167
AFTER-TAX PLAN SAVINGS/(COSTS)		(\$172)	\$323
MEMO: AFTER-TAX SAVINGS TO PARTICIPANTS @ 25%		\$17,500	\$17,500

NOTES:

- 2 Assumes 25 people (25%) will use Unreimbursed Medical account (averaging \$50/mo)
5 people (5%) will use Dependent Care account (averaging \$200/mo); and
60 people (60%) will use Transportation Fringe accounts (averaging \$60/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 Monthly administration fees for TFA processing at \$3.00 per participant for:
claims processing, cash management and participant recordkeeping.
- 8 Enrollment fees of \$6 per eligible employee for (minimum billing \$250):
enrollment materials, group meetings, individual counseling and confirmations.
- 9 Set-up for the Plan Year, forms production, testing, Form 5500 (if required), and Plan Documents.