

BSI Administrative Services
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Employer's Pricing Illustration - Flex and TFA Plans
75 People with Annual Elections of \$63,000

| | Without <u>Flex Plan</u> | Year 1 With <u>Flex Plan</u> | Year 2 With <u>Flex Plan</u> |
|---|-----------------------------|------------------------------------|------------------------------------|
| 1 GROSS PAYROLL | \$3,200,000 | \$3,200,000 | \$3,200,000 |
| 2 (LESS) TFA PLAN ELECTION | \$0 | (\$32,000) | (\$32,000) |
| 2 (LESS) FLEX PLAN ELECTION | \$0 | (\$31,000) | (\$31,000) |
| 3 TAXABLE PAYROLL | <u>\$3,200,000</u> | <u>\$3,137,000</u> | <u>\$3,137,000</u> |
| 4 PAYROLL TAXES @ 8.0% | <u>\$256,000</u> | <u>\$250,960</u> | <u>\$250,960</u> |
| 5 PAYROLL TAX SAVINGS WITH PLAN | | \$5,040 | \$5,040 |
| 7 (LESS) FEES FOR FLEX ADMINISTRATION | | (\$1,600) | (\$1,600) |
| 7 (LESS) FEES FOR TFA ADMINISTRATION | | (\$1,400) | (\$1,400) |
| 8 (LESS) FEES FOR ENROLLMENT | | (\$456) | (\$456) |
| 9 (LESS) SETUP FEES | | <u>(\$750)</u> | <u>(\$250)</u> |
| PRE-TAX PLAN SAVINGS/(COSTS) | | \$834 | \$1,334 |
| (LESS) TAX (EXPENSE)/CREDITS @ 34% | | \$284 | \$454 |
| AFTER-TAX PLAN SAVINGS/(COSTS) | | \$550 | \$880 |
| MEMO: AFTER-TAX SAVINGS TO PARTICIPANTS @ 25% | | \$15,750 | \$15,750 |

NOTES:

- 2 Assumes 25% (19) use Unreimbursed Healthcare account (averaging \$50/mo);
5% (4) use Dependent Care account (averaging \$400/mo); and
50% (38) use Mass Transit account (averaging \$70/mo).
- 4 Primarily FICA (7.65% up to \$90,000 in 2005, then \$1.45%).
- 7 Monthly administration fees at \$7.00 per participant for the Flex Plan
(no charge for premium only) and \$3.00 per participant for the TFA Plan.
Minimum billing of \$50/mo for: claims processing, recordkeeping, quarterly employer
reports, quarterly Flex Plan statements, daily hotline access, "use it or lose it reminder."
- 8 Enrollment fees of \$6 per eligible employee for:
enrollment materials, group meetings, individual counseling and confirmations.
- 9 Set-up for a Plan Year, testing, Form 5500 (if required), and Plan Documents.

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