

**Employer's Pricing Illustration - Flex Plan  
20 People with Annual Elections of \$9,600**

	<u>Without Flex Plan</u>	<u>Year 1 With Flex Plan</u>	<u>Year 2 With Flex Plan</u>
1 GROSS PAYROLL	\$600,000	\$600,000	\$600,000
2 (LESS) FLEX PLAN ELECTION	\$0	(\$9,600)	(\$9,600)
3 TAXABLE PAYROLL	<u>\$600,000</u>	<u>\$590,400</u>	<u>\$590,400</u>
4 PAYROLL TAXES @ 8.0%	<u>\$48,000</u>	<u>\$47,200</u>	<u>\$47,200</u>
5 PAYROLL TAX SAVINGS WITH PLAN		\$768	\$768
7 (LESS) FEES FOR ADMINISTRATIVE SERVICES		(\$672)	(\$672)
8 (LESS) FEES FOR ENROLLMENT		(\$150)	(\$150)
9 (LESS) OTHER FEES		<u>(\$500)</u>	<u>(\$150)</u>
PRE-TAX PLAN SAVINGS/(COSTS)		(\$554)	(\$204)
(LESS) TAX (EXPENSE)/CREDITS @ 34%		(\$188)	(\$69)
AFTER-TAX PLAN SAVINGS/(COSTS)		<b>(\$366)</b>	<b>(\$135)</b>
MEMO: AVERAGE SAVINGS TO PARTICIPANTS @ 25%		<b>\$2,400</b>	<b>\$2,400</b>

**NOTES:**

- 2 Assumes 8 people (40%) will use Unreimbursed Medical account (averaging \$50/mo); and 1 person (5%) 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 \$7.00 per participant (no charge for premium only) (minimum billing of \$25 per month) for: claims processing, recordkeeping, quarterly statements, daily hotline access, "use it or lose it reminder."
- 8 Enrollment fees of \$150 per year for: enrollment materials, group meetings, individual counseling and confirmations.
- 9 Set-up for the Plan Year, testing, Form 5500 (if required), and Plan Documents.