

**Employer's Pricing Illustration - Flex & TFA Plans
20 People with Pre-Tax Elections of \$17,000**

		Year 1	Year 2
	Without <u>Flex Plan</u>	With <u>Flex Plan</u>	With <u>Flex Plan</u>
1	GROSS PAYROLL	\$600,000	\$600,000
2	(LESS) FLEX PLAN ELECTION	\$0	(\$17,000)
3	TAXABLE PAYROLL	\$600,000	\$583,000
4	PAYROLL TAXES @ 8.0%	\$48,000	\$46,640
5	PAYROLL TAX SAVINGS WITH PLAN		\$1,360
6	(LESS) FEES FOR FLEX PLAN ADMINISTRATION		(\$600)
7	(LESS) FEES FOR TFA ADMINISTRATION		(\$432)
8	(LESS) FEES FOR ENROLLMENT		(\$150)
9	(LESS) OTHER FEES		(\$500)
	PRE-TAX PLAN SAVINGS/(COSTS)		(\$322)
	(LESS) TAX (EXPENSE)/CREDITS @ 34%		(\$109)
	AFTER-TAX PLAN SAVINGS/(COSTS)	(\$213)	\$18
MEMO:	AFTER-TAX SAVINGS TO PARTICIPANTS @ 25%	\$4,250	\$4,250

NOTES:

- 2 Assumes 6 people (30%) will use Unreimbursed Medical account (averaging \$50/mo);
1 person (5%) will use Dependent Care account (averaging \$400/mo); and
12 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 billing of \$50 per month) for: claims processing, recordkeeping, cash
management, quarterly statements, daily hotline access, and "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 \$150 for:
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.