

**Employer's Pricing Illustration - Flex & TFA Plans
50 People with Pre-Tax Elections of \$40,200**

	Without Flex Plan	Year 1 With Flex Plan	Year 2 With Flex Plan
1 GROSS PAYROLL	\$1,500,000	\$1,500,000	\$1,500,000
2 (LESS) FLEX PLAN ELECTION	\$0	(\$40,200)	(\$40,200)
3 TAXABLE PAYROLL	\$1,500,000	\$1,459,800	\$1,459,800
4 PAYROLL TAXES @ 8.0%	\$120,000	\$116,780	\$116,780
5 PAYROLL TAX SAVINGS WITH PLAN		\$3,220	\$3,220
6 (LESS) FEES FOR FLEX PLAN ADMINISTRATION		(\$1,260)	(\$1,260)
7 (LESS) FEES FOR TFA ADMINISTRATION		(\$1,080)	(\$1,080)
8 (LESS) FEES FOR ENROLLMENT		(\$300)	(\$300)
9 (LESS) OTHER FEES		(\$750)	(\$250)
PRE-TAX PLAN SAVINGS/(COSTS)		(\$170)	\$330
(LESS) TAX (EXPENSE)/CREDITS @ 34%		(\$58)	\$112
AFTER-TAX PLAN SAVINGS/(COSTS)		(\$112)	\$218
MEMO: AFTER-TAX SAVINGS TO PARTICIPANTS @ 25%		\$10,050	\$10,050

NOTES:

- 2 Assumes 15 people (30%) will use Unreimbursed Medical account (averaging \$50/mo); 2 people (5%) will use Dependent Care account (averaging \$400/mo); and 30 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 \$6 per eligible employee (minimum billing of \$250) 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 Docum

nents.