

**Employer's Pricing Illustration - Flex Plan
50 People with Pre-Tax Elections of \$18,600**

		Year 1	Year 2
	Without Flex Plan	With Flex Plan	With Flex Plan
1	GROSS PAYROLL	\$1,500,000	\$1,500,000
2	(LESS) FLEX PLAN ELECTION	\$0	(\$18,600)
3	TAXABLE PAYROLL	\$1,500,000	\$1,481,400
4	PAYROLL TAXES @ 8.0%	\$120,000	\$118,512
5	PAYROLL TAX SAVINGS WITH PLAN		\$1,488
6	(LESS) FEES FOR FLEX PLAN ADMINISTRATION		(\$1,260)
7	(LESS) FEES FOR ENROLLMENT		(\$300)
8	(LESS) OTHER FEES		(\$250)
	PRE-TAX PLAN SAVINGS/(COSTS)		(\$822)
	(LESS) TAX (EXPENSE)/CREDITS @ 34%		(\$279)
	AFTER-TAX PLAN SAVINGS/(COSTS)	(\$543)	(\$213)
MEMO:	AFTER-TAX SAVINGS TO PARTICIPANTS @ 25%	\$4,650	\$4,650

NOTES:

- 2 Assumes 15 people (30%) will use Unreimbursed Medical account (averaging \$50/mo); and 2 people (5%) will use Dependent Care account (averaging \$400/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 Enrollment fees of \$6 per eligible employee (minimum billing of \$250) for: enrollment materials, group meetings, individual counseling and confirmations.
- 8 Set-up for the Plan Year, forms production, testing, Form 5500 (if required), and Plan Documents.