

Employer's Pricing Illustration - POP Plan
500 People with Annual Elections of \$198,000

	Without <u>Flex Plan</u>	Year 1 With <u>Flex Plan</u>	Year 2 With <u>Flex Plan</u>
1 GROSS PAYROLL	\$12,500,000	\$12,500,000	\$12,500,000
2 (LESS) FLEX PLAN ELECTION	<u>\$0</u>	<u>(\$198,000)</u>	<u>(\$198,000)</u>
3 TAXABLE PAYROLL	<u>\$12,500,000</u>	<u>\$12,302,000</u>	<u>\$12,302,000</u>
4 PAYROLL TAXES @ 7.65%	<u>\$956,250</u>	<u>\$941,103</u>	<u>\$941,103</u>
5 PAYROLL TAX SAVINGS WITH PLAN		\$15,147	\$15,147
7 (LESS) FEES FOR ADMINISTRATIVE SERVICES		\$0	\$0
8 (LESS) FEES FOR ENROLLMENT		\$0	\$0
9 (LESS) OTHER FEES		<u>(\$750)</u>	<u>\$0</u>
PRE-TAX PLAN SAVINGS/(COSTS)		\$14,397	\$15,147
(LESS) TAX (EXPENSE)/CREDITS @ 34%		\$4,895	\$5,150
AFTER-TAX PLAN SAVINGS/(COSTS)		\$9,502	\$9,997
MEMO: AFTER-TAX SAVINGS TO PARTICIPANTS @ 25%		\$49,400	\$49,400

NOTES:

- 2 Assumes employees' premium contributions will be \$16,500/mo.
- 4 Primarily FICA (7.65% up to \$90,000 in 2005, then 1.45%).
- 9 Set-up for the Plan Year, testing, Form 5500, and Plan Documents.