

**Employer's Pricing Illustration - POP Plan
Over 500 People with Annual Elections of \$240,000**

	Without <u>Flex Plan</u>	Year 1 With <u>Flex Plan</u>	Year 2 With <u>Flex Plan</u>
1 GROSS PAYROLL	\$25,000,000	\$25,000,000	\$25,000,000
2 (LESS) FLEX PLAN ELECTION	<u>\$0</u>	<u>(\$240,000)</u>	<u>(\$240,000)</u>
3 TAXABLE PAYROLL	<u>\$25,000,000</u>	<u>\$24,760,000</u>	<u>\$24,760,000</u>
4 PAYROLL TAXES @ 7.65%	<u>\$1,912,500</u>	<u>\$1,894,140</u>	<u>\$1,894,140</u>
5 PAYROLL TAX SAVINGS WITH PLAN		\$18,360	\$18,360
7 (LESS) FEES FOR ADMINISTRATIVE SERVICES		\$0	\$0
8 (LESS) FEES FOR ENROLLMENT		\$0	\$0
9 (LESS) OTHER FEES		<u>(\$1,250)</u>	<u>\$0</u>
PRE-TAX PLAN SAVINGS/(COSTS)		\$17,110	\$18,360
(LESS) TAX (EXPENSE)/CREDITS @ 34%		\$5,817	\$6,242
AFTER-TAX PLAN SAVINGS/(COSTS)		\$11,293	\$12,118
MEMO: AFTER-TAX SAVINGS TO PARTICIPANTS @ 2		\$60,000	\$60,000

NOTES:

- 2 Assumes employees' premium contributions will be \$20,000/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.