

**Employer's Pricing Illustration - Flex & TFA Plans
10 People with Pre-Tax Elections of \$4,000**

	<u>Without Flex Plan</u>	<u>Year 1 With Flex Plan</u>	<u>Year 2 With Flex Plan</u>
1 GROSS PAYROLL	\$300,000	\$300,000	\$300,000
2 (LESS) FLEX PLAN ELECTION	\$0	(\$4,000)	(\$4,000)
3 TAXABLE PAYROLL	\$300,000	\$296,000	\$296,000
4 PAYROLL TAXES @ 7.65%	\$22,950	\$22,644	\$22,644
5 PAYROLL TAX SAVINGS WITH PLAN		\$306	\$306
6 (LESS) FEES FOR FLEX PLAN ADMINISTRATION		\$0	\$0
7 (LESS) FEES FOR TFA ADMINISTRATION		(\$300)	(\$300)
8 (LESS) FEES FOR ENROLLMENT		\$0	\$0
9 (LESS) OTHER FEES		(\$250)	\$0
PRE-TAX PLAN SAVINGS/(COSTS)		(\$244)	\$6
(LESS) TAX (EXPENSE)/CREDITS @ 34%		(\$83)	\$2
AFTER-TAX PLAN SAVINGS/(COSTS)		(\$161)	\$4
MEMO: AFTER-TAX SAVINGS TO PARTICIPANTS @ 25%		\$1,100	\$1,100

NOTES:

- 2 Assumes 6 people (60%) will use Transportation Fringe accounts (averaging \$60/mo)
- 4 Primarily FICA (7.65% up to \$90,000 in 2005, then \$1.45%).
- 7 Monthly administration fees for TFA processing at \$3.00 per participant for: claims processing, cash management and participant recordkeeping (subject to a \$300 minimum billing).
- 9 Set-up for the Plan Year and forms production.