

**Employer's Pricing Illustration - TFA Plan
100 People with Pre-Tax Elections of \$40,000**

	<u>Without Flex Plan</u>	<u>Year 1 With Flex Plan</u>	<u>Year 2 With Flex Plan</u>
1 GROSS PAYROLL	\$3,000,000	\$3,000,000	\$3,000,000
2 (LESS) FLEX PLAN ELECTION	\$0	(\$40,000)	(\$40,000)
3 TAXABLE PAYROLL	\$3,000,000	\$2,960,000	\$2,960,000
4 PAYROLL TAXES @ 7.65%	\$229,500	\$226,440	\$226,440
5 PAYROLL TAX SAVINGS WITH PLAN		\$3,060	\$3,060
6 (LESS) FEES FOR FLEX PLAN ADMINISTRATION		\$0	\$0
7 (LESS) FEES FOR TFA ADMINISTRATION		(\$2,160)	(\$2,160)
8 (LESS) FEES FOR ENROLLMENT		(\$250)	(\$250)
9 (LESS) OTHER FEES		(\$750)	(\$250)
PRE-TAX PLAN SAVINGS/(COSTS)		(\$100)	\$400
(LESS) TAX (EXPENSE)/CREDITS @ 34%		(\$34)	\$136
AFTER-TAX PLAN SAVINGS/(COSTS)		(\$66)	\$264
MEMO: AFTER-TAX SAVINGS TO PARTICIPANTS @ 25%		\$10,800	\$10,800

NOTES:

- 2 Assumes 60 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.
- 8 Enrollment fees of \$250: enrollment materials, group meetings, individual counseling and confirmations.
- 9 Set-up for the Plan Year and forms production.