

**Employer's Pricing Illustration - Flex & TFA Plans
20 People with Pre-Tax Elections of \$9,000**

		Without <u>Flex Plan</u>	Year 1 With <u>Flex Plan</u>	Year 2 With <u>Flex Plan</u>		
1	GROSS PAYROLL	\$500,000	\$500,000	\$500,000		
2	(LESS) FLEX PLAN ELECTION	<u>\$0</u>	<u>(\$9,000)</u>	<u>(\$9,000)</u>		
3	TAXABLE PAYROLL	\$500,000	\$491,000	\$491,000		
4	PAYROLL TAXES @ 7.65%	<u>\$38,250</u>	<u>\$37,562</u>	<u>\$37,562</u>		
5	PAYROLL TAX SAVINGS WITH PLAN		\$689	\$689		
6	(LESS) FEES FOR FLEX PLAN ADMINISTRATION		\$0	\$0		
7	(LESS) FEES FOR TFA ADMINISTRATION		(\$432)	(\$432)		
8	(LESS) FEES FOR ENROLLMENT		(\$150)	(\$150)		
9	(LESS) OTHER FEES		<u>(\$250)</u>	<u>(\$150)</u>		
	PRE-TAX PLAN SAVINGS/(COSTS)		(\$144)	(\$44)		
	(LESS) TAX (EXPENSE)/CREDITS @ 34%		(\$49)	(\$15)		
	AFTER-TAX PLAN SAVINGS/(COSTS)		<table border="1"><tr><td>(\$95)</td></tr></table>	(\$95)	<table border="1"><tr><td>(\$29)</td></tr></table>	(\$29)
(\$95)						
(\$29)						
MEMO:	AFTER-TAX SAVINGS TO PARTICIPANTS @ 25%		<table border="1"><tr><td>\$2,200</td></tr></table>	\$2,200	<table border="1"><tr><td>\$2,200</td></tr></table>	\$2,200
\$2,200						
\$2,200						

NOTES:

- 2 Assumes 12 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 \$150 for: enrollment materials, group meetings, individual counseling and confirmations.
- 9 Set-up for the Plan Year and forms production.

Gross Payroll 500000
Key Assumptions and Cost Model

# Pays	# Employees	20				
52	# Eligible Employees	20		\$8,640		
			<table border="1"><tr><td>\$0</td></tr></table>	\$0	<table border="1"><tr><td>\$0</td></tr></table>	\$0
\$0						
\$0						
	% Enrolling in POP	210.00%	Mo Elections	FY Elections		
Per Pay	Participants - Individual	28	\$0	\$0		

Participants - EE+Spouse	2	\$0	\$0
0.00 Average Monthly Election - EE+Spouse	\$0.00		
Participants - Family	9	\$0	\$0
0.00 Average Monthly Election - Family	\$0.00		
% Enrolling in Unreimb Med	0.00%	Mo Elections	FY Elections
Participants - Unreimb Med	0	\$0	\$0
Average Monthly Election - Unreimb Med	\$50.00		
% Enrolling in TFA	60.00%	Mo Elections	FY Elections
Participants - TFA	12	\$720	\$8,640
Average Monthly Election - TFA	\$60.00		
% Enrolling in Dep Care	0.00%	Mo Elections	FY Elections
Participants - Dep Care	0	\$0	\$0
Average Monthly Election - Dep Care	\$400.00		

Charges:		Minimums	Annual Billings
Monthly Servicing - Flex	\$0.00	\$0.00	\$0
Monthly Servicing - TFA	\$3.00	\$25.00	\$432
Annual Re-enrollment	\$0.00	\$150.00	\$0
Set-up	\$100	\$100.00	\$250
Plan Document	\$0	\$500.00	
Form 5500	\$150	\$250.00	
Discrimination Testing	\$0	\$150.00	
Sales Commission	\$0	\$500.00	
First Year Fees	\$250		