

**Employer's Pricing Illustration - Flex & TFA Plans
50 People with Pre-Tax Elections of \$22,000**

	<u>Without Flex Plan</u>	<u>Year 1 With Flex Plan</u>	<u>Year 2 With Flex Plan</u>
1 GROSS PAYROLL	\$1,300,000	\$1,300,000	\$1,300,000
2 (LESS) FLEX PLAN ELECTION	\$0	(\$22,000)	(\$22,000)
3 TAXABLE PAYROLL	\$1,300,000	\$1,278,000	\$1,278,000
4 PAYROLL TAXES @ 7.65%	\$99,450	\$97,767	\$97,767
5 PAYROLL TAX SAVINGS WITH PLAN		\$1,683	\$1,683
6 (LESS) FEES FOR FLEX PLAN ADMINISTRATION		\$0	\$0
7 (LESS) FEES FOR TFA ADMINISTRATION		(\$1,080)	(\$1,080)
8 (LESS) FEES FOR ENROLLMENT		(\$150)	(\$150)
9 (LESS) OTHER FEES		(\$250)	(\$150)
PRE-TAX PLAN SAVINGS/(COSTS)		\$203	\$303
(LESS) TAX (EXPENSE)/CREDITS @ 34%		\$69	\$103
AFTER-TAX PLAN SAVINGS/(COSTS)		\$134	\$200
MEMO: AFTER-TAX SAVINGS TO PARTICIPANTS @ 25%		\$5,400	\$5,400

NOTES:

- 2 Assumes 30 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.
- 9 Set-up for the Plan Year and forms productions.