

Savings Snapshot

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You can increase the money you take home each pay period by using a Flexible Benefits Plan. Here is an example of the tax savings an employee earning \$2,200 a month can experience using this great benefit.

| | Without 125 Plan | With 125 Plan |
|--------------------------------------|--------------------|------------------------|
| Monthly income before taxes | \$ 2,200 | \$ 2,200 |
| Pre-tax salary deductions | | |
| Health Care FSA contribution | \$.00 | \$ 60.00 |
| Dependent Care FSA contribution | .00 | 260.00 |
| Employee contribution to health plan | .00 | 50.00 |
| Total | \$.00 | \$ 370.00 |
| Payroll taxes | | |
| FICA (7.65%) | \$168.30 | \$140.00 |
| Federal income tax (12.16%) | 267.52 | 222.53 |
| State income tax (4%) | 88.00 | 73.20 |
| Total | \$ 523.82 | \$ 435.73 |
| After tax expenses | | |
| Health care expenses | \$ 60.00 | \$.00 |
| Dependent care expenses | 260.00 | .00 |
| Employee contribution to health plan | 50.00 | .00 |
| Total | \$ 370.00 | \$.00 |
| Spendable income | \$ 1,306.18 | \$ 1,394.27 |
| Employee's spendable income | \$ 22.03 | more each week |
| Employee's spendable income | \$ 88.09 | more each month |
| Employee's spendable income | \$ 1,057.08 | more each year |