

Savings Snapshot

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	\$2,200.00	\$2,200.00
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 **increases**

\$22.03 each week

\$88.09 each month

\$1,057.08 each year