

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.

| Monthly income before taxes | Without 125 Plan | With 125 Plan |
|--------------------------------------|-------------------------|----------------------|
| | \$2,200.00 | \$2,200.00 |
| Pre-tax salary deductions | | |
| Health FSA contribution | \$0.00 | \$60.00 |
| Dependent Care FSA contribution | \$0.00 | \$260.00 |
| Employee contribution to health plan | \$0.00 | \$50.00 |
| Total | \$0.00 | \$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 | \$0.00 |
| Dependent care expenses | \$260.00 | \$0.00 |
| Employee contribution to health plan | \$50.00 | \$0.00 |
| Total | \$370.00 | \$0.00 |
| 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

