

Tax Savings Illustration for Health or Dependent Care Flexible Benefits Plans

Employee earns \$384.62 per week and does not participate in the Health Care Reimbursement Account plan and spends \$999.96 annually for unreimbursed medical expenses with After-Tax dollars.

Gross Weekly Salary	\$384.62
Weekly Health Care Reimbursement Account Election (PRE-TAX)	\$0.00
Weekly Taxable Salary	\$384.62
Federal Tax Deduction	\$11.00
State Tax Deduction	\$10.20
Medicare Tax Deduction	\$5.58
Social Security Tax Deduction	\$23.85
 Weekly Net Take-home Pay	 \$333.99

Employee spends \$1,000 on medical expenses and is forced to pay with taxable money for these items.	\$999.96
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Annual Income left after Medical Expenses	\$16,367.52
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Employee earns \$384.62 per week and sets aside \$19.23 per week (\$999.96 annually) for unreimbursed medical expenses.

Gross Month Salary	\$384.62
Health Care Reimbursement Account Election (PRE-TAX)	\$19.23
Taxable Salary	\$365.39
Federal Tax Deduction	\$9.00
State Tax Deduction	\$9.45
Medicare Tax Deduction	\$5.30
Social Security Tax Deduction	\$22.65
 Weekly Net Take-home Pay	 \$318.99

Employee spends \$999.96 annually on medical expenses and gets her \$999.96 back from the Flex plan	\$0.00
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Weekly Net Take-home Pay	\$318.99
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Annual Net Take-home Pay	\$16,587.48
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Employee sets aside \$19.23 per pay period to accumulate \$999.96 annually for un-reimbursed medical expenses but per illustration, weekly pay is only reduced \$15.00 due to tax savings.

Nothing contained in this illustration is intended as legal or tax advice, guidance or interpretation, and any examples are provided for illustrative purposes only. You are responsible for retaining independent counsel to determine the legal and tax consequences of participation in any employee benefit plans.