

Save money with our cafeteria plan and avoid a "Tax-Haircut"

Fact 1:Wages Trigger Taxes.

Fact 2:Premiums paid through a Section 125 Cafeteria Plan

DO NOT TRIGGER TAXES!



Using 24 Pay Periods

		Column 1 Per Pay Period	Column 2 Per Pay Period	Column 3 Per Pay Period	
			Insurance but not Pre- Tax	Insurance Pre-Tax	
Example 1		No Insurance			
1	Wages Per Pay Period	\$2,000.00	\$2,000.00	\$2,000.00	
2	Employee Insurance Contributions	\$ -	\$125.00	\$125.00	
	Employee FICA	7.65% \$153.00	\$153.00	\$143.44	
	Employee FIT	15.00% \$300.00	\$300.00	\$281.25	
	Employee SIT	2.00% \$40.00	\$40.00	\$37.50	
3	Tax Haircut	24.65%	\$493.00	\$462.19	Savings \$30.81 Per Pay Period
4	NET TAKE HOME PER PAY PERIOD	\$1,507.00	\$1,382.00	\$1,412.81	
5	PRE-TAX SAVINGS ANNUALLY			\$739.50	

Using 24 Pay Periods

		Column 1 Per Pay Period	Column 2 Per Pay Period	Column 3 Per Pay Period	
Example 2					
1	Wages Per Pay Period	\$3,750.00	\$3,750.00	\$3,750.00	
2	Employee Insurance Contributions	\$ -	\$125.00	\$125.00	
	Employee FICA	7.65% \$286.88	\$286.88	\$277.31	
	Employee FIT	22.00% \$825.00	\$825.00	\$797.50	
	Employee SIT	4.00% \$150.00	\$150.00	\$145.00	
3	Tax Haircut	33.65%	\$1,261.88	\$1,219.81	Savings \$42.06 Per Pay Period
4	NET TAKE HOME PER PAY PERIOD	\$2,488.13	\$2,363.13	\$2,405.19	
5	PRE-TAX SAVINGS ANNUALLY			\$1,009.50	