

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 26 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	\$2,500.00	\$2,500.00	\$2,500.00	
2	Employee Insurance Contributions	\$ -	\$275.00	\$275.00	
	Employee FICA	7.65%	\$191.25	\$170.21	
	Employee FIT	15.00%	\$375.00	\$333.75	
	Employee SIT	2.00%	\$50.00	\$44.50	
3	Tax Haircut	24.65%	\$616.25	\$548.46	Savings \$67.79 Per Pay Period
4	NET TAKE HOME PER PAY PERIOD	\$1,883.75	\$1,608.75	\$1,676.54	
5	PRE-TAX SAVINGS ANNUALLY			\$1,762.48	

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	\$ -	\$275.00	\$275.00	
	Employee FICA	7.65%	\$286.88	\$265.84	
	Employee FIT	22.00%	\$825.00	\$764.50	
	Employee SIT	4.00%	\$150.00	\$139.00	
3	Tax Haircut	33.65%	\$1,261.88	\$1,169.34	Savings \$92.54 Per Pay Period
4	NET TAKE HOME PER PAY PERIOD	\$2,488.13	\$2,213.13	\$2,305.66	
5	PRE-TAX SAVINGS ANNUALLY			\$2,405.98	