

Employees And Employers Can Save Hundreds, Even Thousands Of Dollars A Year!

Flexible Benefits Plan Administration

Many employers are dealing with increasing prescription and medical costs that have forced them to deduct premium payments from their employees' paychecks as well as decreasing available benefits. By adopting a Flexible Spending Account (IRC Sec. 125) Plan, your company can allow employees' contributions to go farther and reduce the employees' uninsured costs.

Flexible Spending Accounts can allow premium payments from the employee's paycheck on a pre-taxed basis and permits the employee to pay for any uninsured, qualified medical expenses on a pre-taxed basis. Allowing employees to use pre-taxed dollars in this way increases their spendable income after paying premium contributions and qualified medical expenses. Adopting a Flexible Spending Account Plan also saves employers money by decreasing payroll taxes.

An example of how a Flexible Spending Account benefits a single employee earning \$15 per hour:

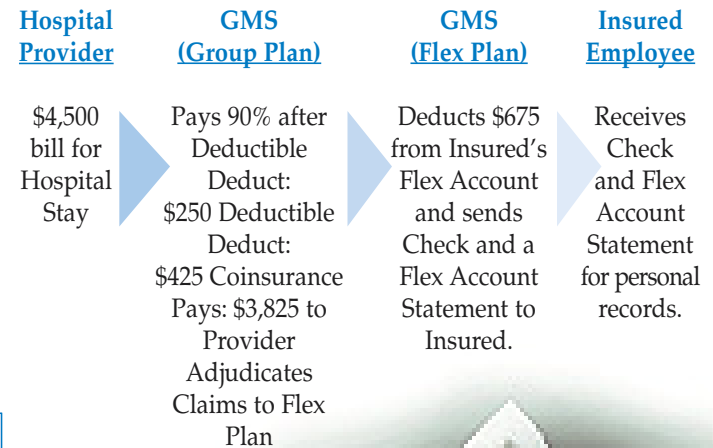
Employee Savings Example	Using Before Tax Dollars	Using After Tax Dollars
Employee's Annual Earnings:	\$ 31,000	\$ 31,000
Employee's Premium Payment:	\$ 600*	\$ 600
Flex Plan Payments	\$ 1,200*	
Taxable Income:	\$ 29,200	\$ 31,000
Estimated Payroll Taxes: (Federal, State & Social Security)	\$ 7,032	\$ 7,532
After Taxed Income:	\$ 22,168	\$ 23,468
Take Home Pay	\$ 22,168	\$ 22,868
Uninsured Eligible Expenses: (i.e. Deductible, Copays, Coinsurance, Over the counter medications, day care)	Paid from Flex Acct.	\$ 1,200
Remaining Income after expenses:	\$ 22,168	\$ 20,668
Tax Savings:	\$ 500	

* Employer does not incur payroll tax expense on Sec. 125 payroll reductions.

Group Marketing Services, Inc. has the unique capabilities to automate the Flexible Spending Account process to pay for the group insurance Plan's annual deductibles, coinsurances, copays and excluded expenses. The employees are provided an individual summary of the expenses that are paid from their account. The employer is provided a monthly summary report for all expenses paid from the Flexible Spending Account.

Group Marketing Services, Inc. provides a customized Flexible Spending Account specifically to meet all employer and employees' needs. The employer can designate funding dates, reimbursement schedules, eligible expenses, check printing and processing.

The following is an example of how the unique Flex Spending Account auto adjudication process can simplify the FSA experience for both the employer and the employees.



Please contact Group Marketing Services for more information on these unique Flexible Benefits Plan Administration Services available to your company.



Group Marketing Services, Inc.

● Group Insurance That Benefits Small Business

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