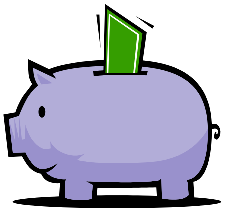
WHY SHOULD I FLEX?



Increase Your Take Home Pay!

A Flexible Spending Account allows you to set aside part of your paycheck on a pre-tax basis to pay for eligible expenses. ***An employee pays no FICA, Federal or State income tax on flex dollars!***

This reduces your taxable income and increases your take home pay. For example:

	With Flexible Spending	***Without* Flexible Spending**
Gross Pay	**$ 30,000**	**$ 30,000**
Flex – Medical Expenses	**-1,000**	**?**
Flex – Dependent Care	**-5,000**	**?**
Taxable Wages	**$ 24,000**	**$ 30,000**
Payroll Taxes – FICA, Federal W/H & State W/H – (20% estimated)	**- 4,800**	**- 6,000**
After Tax – Medical Expenses		**- 1,000**
After Tax – Dependent Care		**- 5,000**
Take Home Pay	**$ 19,200**	**$ 18,000**
Increased Take Home Pay for Employee	**$ 1,200**	

By participating in a flex plan, this employee increased their take home pay by 6.7%! How? They paid for eligible expenses they knew they would incur by using pre-tax dollars set aside in a flexible benefit account, instead of paying for the same expenses using after-tax dollars. Your savings will vary depending upon your personal situation and effective tax rate.

Let the Flex Plan Help You With Cash Flow!

A Flex Plan can also assist with your personal cash flow during the year. Use the Flex Plan to set aside money each paycheck for large expenses, such as orthodontia, Lasik eye surgery, major dental work, hearing aid purchase, or eyeglass/contact lens purchase. Not only will you save taxes on the money set aside, it will also make it easier to pay for these expenses when incurred.

PERSONAL FINANCIAL PLANNING STARTS AT YOUR PAYCHECK!

region 1

3031 17th Street South ● Moorhead, MN 56560 ● (800) 450-2990 ● Fax: (218) 236-2368