



## Save an average of \$300 per employee in payroll taxes!

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# FLEXSYSTEM

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## What is FlexSystem?

FlexSystem is an IRS Code Section 125 Cafeteria Plan that enables employers to offer qualified employee benefits normally paid on an after-tax basis, through salary reduction, on a pre-tax basis instead. With FlexSystem, employers use TASC's third-party administration services to handle the

proper administration and operation of the Plan. As a result, your employees can increase their take-home pay without costing you more money. There's more: **Participating businesses save an average of \$300 per employee per year in payroll taxes.**

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## How does it save money?

This Plan controls benefit costs without restricting choices, and reduces your Social Security tax payments for every dollar of employee participation. It also saves your employees

money because their necessary benefits are purchased with pre-tax money. FlexSystem not only puts more money in your employees' pockets, but helps your business, too.

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## How does it work?

This allows employees to select certain benefits normally paid on an after-tax basis and, through payroll deduction, to pay for these benefits on a pre-tax basis. Paying for these benefits on a pre-tax basis allows your employees to increase their take home pay without costing you more money. Section 125 Plans, also known as "Flexible Spending Accounts," can be structured to include a variety of benefits.

Qualified expenses under the Plan typically include things such as:

- Family health insurance premiums
- Out-of-Pocket medical expenses

- Dependent care expenses
- Term life and disability insurance premiums
- Transportation expenses

When a qualified expense is incurred, the employee submits a Request for Reimbursement claim to FlexSystem. The claim is quickly processed and payment is disbursed to the employee. With on-line submission of claims, daily check cutting, and direct deposit, FlexSystem provides the industry's fastest turnaround of claims.

## The audit guarantee

FlexSystem stands behind enrolled Participants if the Participant has adhered to the Plan's outlined procedures and parameters. If all Plan procedures and guidelines are followed correctly, FlexSystem will assume financial responsibility for 100% of any penalty and/or interest charged as a result of an audit as it pertains to FlexSystem.

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## What we do

- Professional and efficient set-up of your FlexSystem Section 125 Plan, including all required documentation, and maintenance of the Plan Document.
- Provide access to our comprehensive on-line processes to help keep paperwork to a minimum.
- Offer daily check cutting and direct deposit for the fastest possible turnaround of claims.
- Offer expert toll-free assistance and information during regular business hours.
- Provide around-the-clock access to account information via the internet and our voice response system.
- Provide all-inclusive fees with no contractual commitments.
- Back up your Plan with an Audit Guarantee.

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## What you get

- **Reduced payroll costs.** Social security contributions are reduced for each dollar of employee participation.
- **Reduced medical costs.** An employer can control the company's share of medical costs without limiting choice.
- **The ability to customize benefits.** With a diverse workforce, you can offer individually-tailored benefits at little or no additional cost.
- **The goodwill you build.** Employees know Section 125 plans make good financial sense. For very little cost, you can provide a benefits package with their interests in mind.

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## Your obligations

- Upon receipt of the employee enrollment materials, you should review the Summary Plan Description (SPD) and Employer Data Sheet.
- Distribute an employee enrollment kit to all eligible employees.
- Enroll on-line at [www.exploretasc.com](http://www.exploretasc.com), making sure to submit your payroll schedule and your employees' enrollment forms.
- Direct your employees to enroll. Also, review account balances, and file requests for reimbursement all on-line or contact FlexSystem for assistance.
- Distribute Participation Kits to your employees who have chosen to take part in FlexSystem.

## Savings snapshot

ESTIMATED HEALTH PREMIUMS PER EMPLOYEE (EMPLOYEE'S SHARE)	ESTIMATED ELIGIBLE MEDICAL EXPENSES PER EMPLOYEE	ESTIMATED DEPENDENT CARE EXPENSES PER FAMILY EMPLOYEE
\$20	\$15	\$200
\$40	\$25	\$400
\$60	\$35	\$600
\$80	\$45	\$800
\$100	\$55	\$1000

(Column amounts are typical. Use exact numbers if known.)

**LINE 1** Total of Column 1 and Column 2: \$ \_\_\_\_\_

**LINE 2** Add 20% of Column 3: \$ \_\_\_\_\_

Typically, 20% of eligible family employees take advantage of Dependent Care accounts.

**LINE 3** Subtotal: \$ \_\_\_\_\_

**LINE 4** Number of Employees: \_\_\_\_\_

**LINE 5** Multiply Line 3 by Line 4: \$ \_\_\_\_\_

**LINE 6** Multiply Line 5 by .08: \$ \_\_\_\_\_

This is your monthly tax savings.

This is based on the average payroll savings of 8%, which may include Social Security contributions, unemployment taxes, and worker's compensation insurance.

**LINE 7** Multiply Line 6 by 12: \$ \_\_\_\_\_

This is your annual tax savings.