

Help Stretch Benefit Dollars and Ease Administration



for what happens next®

Division of The Paul Revere
Life Insurance Company

Voluntary benefits provide vital options for today's employee benefits program, but there are additional ways to offer your employees choices and value. These options cannot only help stretch benefit dollars for you and for your employees but also help ease your administrative work.

If you are not already familiar with these convenient services, consider how they could help you enhance your benefits program.

PREMIUM ONLY PLAN (POP) ADMINISTRATION: Helps enhance your employee benefits package while reducing both employer and employee taxes.

Through our marketing alliances, we can provide you with a POP administration service to help ensure you are in compliance with the Section 125 provisions and regulations.



Sample Premium Only Plan*

	Without Cafeteria	With Cafeteria
Gross Pay Per Pay Period	900.54	900.54
Health Insurance (pretaxed)	- 0.00	- 69.24
Taxable Amount	900.54	831.30
Federal Tax	- 35.44	- 28.51
State Tax	- 24.80	- 20.81
FICA	- 68.89	- 63.59
Health Insurance (not pretaxed)	- 69.24	- 0.00
Net Pay	\$702.17	\$718.39

Savings per period **\$16.22**
Total annual savings **\$421.72**

Based on 26 pay periods

* Based on 2004 New York Tax Tables

FLEXIBLE SPENDING ACCOUNTS (FSAs): Enable employees to add pretax dollars to reimbursement accounts that help with the cost of qualified expenses:

- **Dependent Care Reimbursement Accounts** – Employees can pretax out-of-pocket expenses for dependent care that allow them and/or their spouses to work, such as day care expenses, after-school care expenses for children under age 13, and care for an adult dependent incapable of caring for him- or herself.
- **Medical Reimbursement Accounts** – Employees can pretax out-of-pocket expenses not covered by health insurance plans. These accounts present another great way to help employees cope with the higher deductibles and co-payments of today’s medical insurance plans. Examples include dental, vision, health plan co-pays, prescription drug co-pays and even some qualified over-the-counter medications.

Sample Flexible Spending Account*

	Before Dependent Care FSA	After Dependent Care FSA
Gross Pay Per Pay Period	900.54	900.54
Pretax Dependent Care Reduction	– 0.00	– 50.00
Taxable Gross	900.54	850.54
FICA, Federal & State Taxes	– 129.13	– 117.36
Net Pay	771.41	733.18
Dependent Care Expense	– 50.00	– 0.00
Spendable Income	\$721.41	\$733.18

* Based on 2004 New York Tax Tables



Each of these options presents another way to help combat rising health care costs and provide greater value in your overall employee benefits program. Let us show you how these options could provide benefit solutions for your business.

Colonial Supplemental Insurance Division products are underwritten by:

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