

Savings Examples

Example of Employer Savings

XYZ Company has 10 Employees.

	<u>Without POP</u>	<u>With POP</u>
Annual payroll.....	\$ 300,000	\$ 300,000
Annual pre-tax payroll deductions*	\$ -	\$ (24,000)
Taxable payroll.....	\$ 300,000	\$ 276,000
Annual Social Security tax**	\$ 22,950	\$ 21,114
Total annual employer Social Security tax savings.....		<u>\$ 1,836</u>

* Based on insurance premiums averaging \$200 per month per employee.

** Based on a FICA tax rate of 7.65%.

Example of Employee Savings

John Doe: Single, No Exemptions

	<u>Without POP</u>	<u>With POP</u>
Annual salary.....	\$ 30,000	\$ 30,000
Annual pre-tax contributions*	\$ -	\$ (2,400)
Taxable income.....	\$ 30,000	\$ 27,600
Estimated taxes (30.65%)**	\$ (9,195)	\$ (8,460)
Annual after-tax contributions.....	\$ (2,400)	\$ -
Net take-home pay.....	\$ 18,405	\$ 19,140
Increase in take-home pay.....		\$ 735
Total annual tax savings for 10 employees.....		<u>\$ 7,350</u>

* Based on a monthly premium of \$200.

** Based on an average 20% Federal, 7.65% FICA and 3% State.

Note: Social Security benefits could be affected.

Total Employer & Employee Annual Savings.....	<u>\$ 9,186</u>
<i>(for a business with 10 employees as illustrated above)</i>	

CALCULATE YOUR SAVINGS

Employer Estimated Tax Savings

Total annual payroll deductions for all employees.....	\$ _____
Social Security tax (based on tax rate of 7.65%).....	X .0765
Total annual employer savings.....	\$ _____

Employee Estimate Tax Savings

Total annual employee premium contributions.....	\$ _____
Estimated taxes (based on 20% Federal, 7.65% FICA and 3% State*).....	X .3065*
Total annual employee premium contributions.....	\$ _____

*Varies by state.