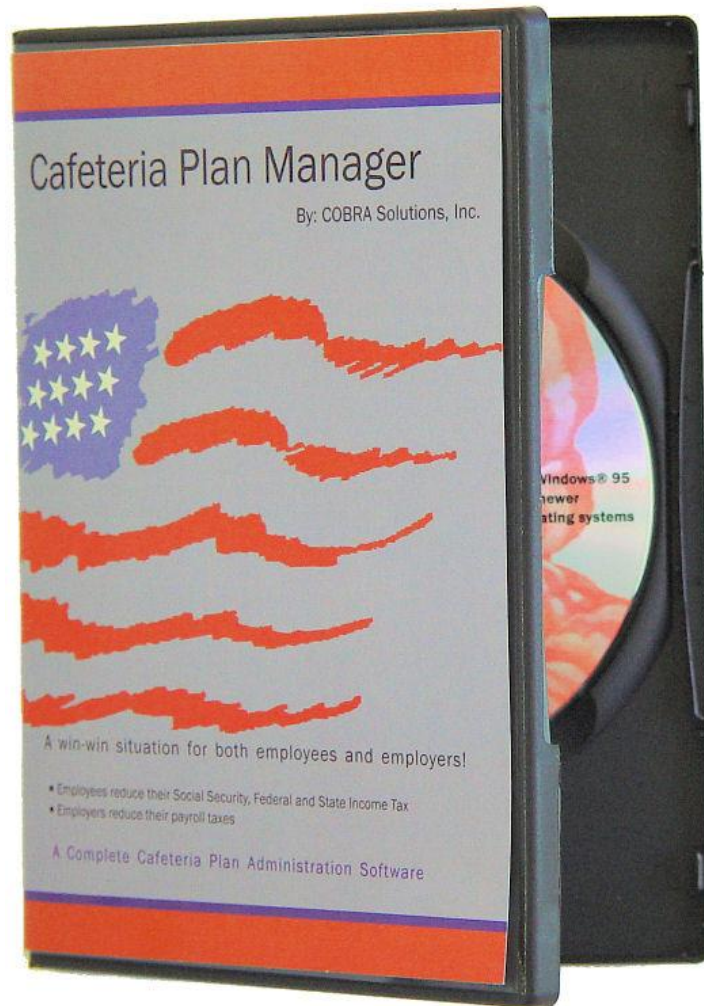


# Cafeteria Plan Manager Software



## Proposal

## ***Cafeteria Plan Manager Software***

**Product Description:** The Revenue Act of 1978 created two new sections to the Internal Revenue Code: Section 401(k) permits deferred compensation for retirement programs and Section 125 enables employers to create a "Cafeteria Plan" which allows employees to pay for certain benefits on a pre-tax basis. Many companies have taken advantage of Section 401(k) but due to excessive administrative costs, have yet to create a Cafeteria Plan.

**Reason to Purchase:** Quite simply, **tax advantages accrue for both the employee and employer!** In essence, employees reduce their income by an amount equal to the cost of the benefit. By reducing their income, they lower their taxable base; thereby reducing the amount they pay in Federal, FICA and (in most States) State income taxes. Conversely, when employees' taxable income is reduced, FICA and FUTA payroll taxes paid by employers are also reduced. With the implementation of a Cafeteria Plan and utilizing the Cafeteria Plan Manager, most employers tax savings pay the software in the first month of operation.

There are three main components of a Cafeteria Plan that can be implemented separately or in combination. The employer decides which components to include in their Cafeteria Plan. The three most common components are:

**Premium Reduction Plan** - A Premium Reduction Plan is the cornerstone of a Cafeteria Plan because it offers a benefit to virtually all employees and is the easiest to administer. Under a Premium Reduction Plan, employees elect to reduce their income by an amount equal to their cost for benefits. Then, the employer pays for 100% of the benefit.

**Medical Reimbursement Plan** - A Medical Reimbursement Plan allows employees to create an account to pay for benefits not covered under the insurance plan (i.e. deductibles, coinsurance and copayments). At the beginning of each plan year, employees decide what amount they want to contribute to the plan. As expenses are incurred, the employee submits eligible receipts to the Plan Administrator and is reimbursed with untaxed dollars.

**Dependent Care Reimbursement Plan** - A Dependent Care Reimbursement Plan allows employees to pay for eligible dependent care expenses (such as child daycare) on a pretax basis. Similar to the Medical Reimbursement Plan, employees decide each year how much they want to contribute through payroll reductions to their account. As expenses are incurred, receipts are submitted and reimbursed by the company to the employee with untaxed dollars.

**The Cafeteria Plan Manager is for *Employee focused companies looking to improve benefits and employee take-home pay***

**Why Purchase from COBRA Solutions?** – COBRA Solutions was founded in 1987 to provide 'best-in-class' employee benefit software. The company developed Cafeteria Plan Manager as a way for employer's to act on a benefit plan normally not affordable to small business. We continue to re-invest into our software to optimize product performance and compliance. We take great pride in providing our customers with a “security blanket” in terms of support. Our goal is to continue to provide the industry's best technical support and make every install of our software 100% successful.

Our **Cafeteria Plan Manager** software was developed in 1998 and the best part about the Cafeteria Plan is that most of your employees are already paying for these expenses out of their own pockets with after-tax dollars. Cafeteria Plan Manager offers employees a remarkable way to save money they're already spending. The benefit for business owners is that our **Cafeteria Plan Manager** costs very little to set up and maintain. For most employers, the cost of implementing the plan is recovered through tax savings during the first year--you might even begin saving money as early as the month following the installation.

A major reason for our success is that we provide an **affordable solution** for employers to offer a benefit plan that saves both the employee and employer money. COBRA Solutions does not rely on past success and is always working on ways to enhance the product utilizing new technology to provide leading edge enhancements and modifications to protect your investment into the future.

COBRA Solutions **Cafeteria Plan Manager** will provide a tremendous benefit to both your employees and your business by taking advantage of a pre-tax benefit plan.

We look forward to earning your business.

COBRA Solutions Cafeteria Plan Manger is a flexible spending plan that provides a “Win-Win” benefit for both the company and its employees

**Product Cost** – The *Cafeteria Plan Manager* is available in two versions; the Silver and Gold Editions. The Gold Edition also includes unlimited phone support on Section 125 (Cafeteria Plan) related questions. Below are the costs associated with both program versions.

<b><u>Product Description</u></b>	<b><u>Single Company Version</u></b>
Cafeteria Plan Silver Edition	\$795.00
Cafeteria Plan Gold Edition (includes unlimited phone support on Cafeteria Plan related question)	\$845.00
<b><u>*Annual Maintenance Fee (Each subsequent year.)</u></b>	
Silver Edition	\$199.00
Gold Edition (includes unlimited phone Support on Cafeteria Plan related questions)	\$249.00

Both versions offer a money back satisfaction guarantee. If you are not completely satisfied with the program, it may be returned within the first sixty days for a full refund. You will receive free technical support while enrolled on our Annual Maintenance Agreement with the purchase of either version.

\* This fee is included in the initial software purchase. You will receive a bill following the first year of ownership and each subsequent year thereafter. The Annual Maintenance Fee includes upgrades and technical support.

**Order now and let the experts maintain your compliance with COBRA!**



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***Downloadable Demonstration is available at [www.COBRASolutions.com](http://www.COBRASolutions.com)***