

## Roth 401(k) Marginal Tax Rate (MTR) Analysis Report

### Participant Information Data Input

|                                                         |                                                                                                                                                                                                                    |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Participant Name:                                       | Mr. HCE Owner                                                                                                                                                                                                      |
| Date of Birth:                                          | 6/21/1955                                                                                                                                                                                                          |
| Gender:                                                 | Male                                                                                                                                                                                                               |
| Annual Compensation                                     | \$220,000                                                                                                                                                                                                          |
| First Contribution Start Date:                          | January 1, 2006                                                                                                                                                                                                    |
| Annual Pre-tax 401(k) Deferral:                         | \$20,000                                                                                                                                                                                                           |
| Annual Pre-tax Deferral Percent                         | 9.09%                                                                                                                                                                                                              |
| Annual After-tax Roth 401(k) Deferral:                  | \$13,000                                                                                                                                                                                                           |
| Increased After-tax Roth 401(k) Deferral:               | \$30,769                                                                                                                                                                                                           |
| Annual Increased Roth Deferral Percent:                 | 13.99%                                                                                                                                                                                                             |
| Current Marginal Tax Rate (MTR):                        | 35.00%                                                                                                                                                                                                             |
| MTR Decreases By:                                       | 7.00%                                                                                                                                                                                                              |
| MTR Increases By:                                       | 7.00%                                                                                                                                                                                                              |
| Rate of Return on 401(k):                               | 7.00%                                                                                                                                                                                                              |
| Rate of Return on Roth 401(k):                          | 7.00%                                                                                                                                                                                                              |
| Rate of Return on Side Fund:                            | 5.68%                                                                                                                                                                                                              |
| Retirement Age (Soc. Sec. Retirement Age or 5 years):   | 66                                                                                                                                                                                                                 |
| Life Expectancy (Soc. Sec. Mortality or Specified Age): | 81                                                                                                                                                                                                                 |
| Age at Start of Pre-tax Distributions:                  | 71                                                                                                                                                                                                                 |
| Age at Start of Roth Distributions:                     | 82, First year after death                                                                                                                                                                                         |
| Age at Start of Savings Distributions:                  | 82, First year after death                                                                                                                                                                                         |
| Distribution Method:                                    | <i>Life Expectancy</i> (stretches payments over joint life expectancies based on required minimum distribution for pre-tax account; or, selected number of years if specified for the Roth and Side Fund accounts) |

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This document intends to provide general information only. See your official Summary Plan Description (SPD) for specific details on your plan's benefits and features. In the event of a conflict between the information provided in this communication and the SPD, the SPD prevails.

# Roth 401(k) MTR Analysis Report

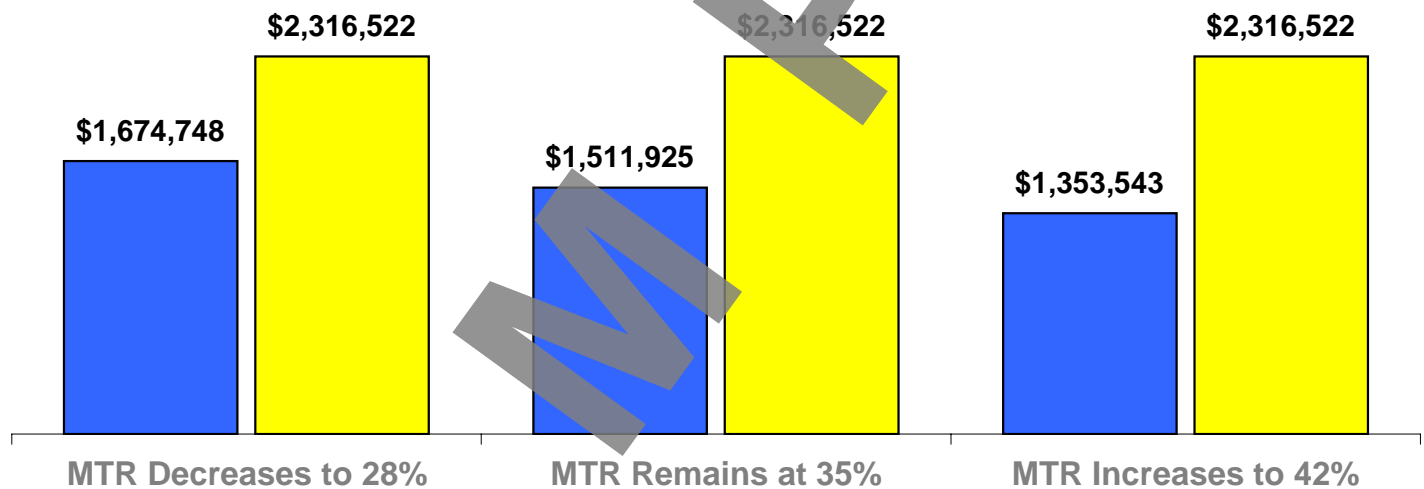
Prepared for  
Mr. HCE Owner

The graph shows how your MTR impacts 5 years of contributions starting on January 1, 2006 to a pre-tax or an after-tax Roth account based on reducing your paycheck by the same amount to give you the same net take home pay. The Roth contribution is lower since it is net of the the tax which you pay now, not later. A 3% annual cost-of-living increase applies in years 2-5 for maximum contributions.

■ Pre-tax 401(k) Contribution: \$20,000    ■ Roth 401(k) Contribution: \$13,000

**Roth Contribution is Lower than Pre-tax Contribution**

Assets rolled over to IRA/Roth IRA at Retirement; Pre-tax IRA distributions taxed at MTR indicated; Roth IRA distributions are tax-free



Rate of Return on Investments: 7.00%    Retirement Age: 66    Life Expectancy: 81

Annual Gross Paycheck Reduction: Pre-tax 401(k): \$20,000 9.1%    Roth 401(k): \$20,000 9.1%

Assumes Roth IRA distributions are qualified tax-free.

No one can predict the future with certainty, but we know it is prudent to diversify your investments amongst accounts that are taxable, tax-deferred and tax-free. We also know that before the Roth 401(k), no plan option ever allowed participants to receive distributions of contributions and interest **100% income tax-free**. And this **once in a lifetime opportunity** starting on January 1, 2006, is a **limited time offer** since it expires from the law after the year 2010.



# Roth 401(k) MTR Analysis Report

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| Age     | Non Spouse Beneficiary #1 |                                |                   |                     | Non Spouse Beneficiary #2 |                                       |                   |                            | Non Spouse Beneficiary #3 |                                       |                   |                            |
|---------|---------------------------|--------------------------------|-------------------|---------------------|---------------------------|---------------------------------------|-------------------|----------------------------|---------------------------|---------------------------------------|-------------------|----------------------------|
|         | Pre-tax Account @ 7%      | Pre-tax 401(k) Dist. MTR @ 35% | Roth Account @ 7% | Roth Dist. Tax-free | Pre-tax Account @ 7%      | Pre-tax 401(k) Distribution MTR @ 35% | Roth Account @ 7% | Roth Distribution Tax-free | Pre-tax Account @ 7%      | Pre-tax 401(k) Distribution MTR @ 35% | Roth Account @ 7% | Roth Distribution Tax-free |
| 43      |                           |                                |                   |                     |                           |                                       |                   |                            | \$147,844                 | -\$2,259                              | \$161,386         | -\$3,793                   |
| 44      |                           |                                |                   |                     |                           |                                       |                   |                            | 154,469                   | -2,421                                | 168,618           | -4,065                     |
| 45      |                           |                                |                   |                     | 147,674                   | -2,369                                | 161,200           | -3,979                     | 161,290                   | -2,594                                | 176,064           | -4,357                     |
| 46      |                           |                                |                   |                     | 154,104                   | -2,539                                | 168,220           | -4,265                     | 168,302                   | -2,781                                | 183,718           | -4,670                     |
| 47      | 147,497                   | -2,484                         | 161,007           | -4,172              | 160,704                   | -2,722                                | 175,424           | -4,571                     | 175,498                   | -2,981                                | 191,573           | -5,006                     |
| 48      | 153,724                   | -2,663                         | 167,805           | -4,472              | 167,464                   | -2,918                                | 182,803           | -4,900                     | 182,867                   | -3,195                                | 199,616           | -5,366                     |
| 49      | 160,093                   | -2,855                         | 174,756           | -4,794              | 174,375                   | -3,128                                | 190,347           | -5,253                     | 190,397                   | -3,425                                | 207,837           | -5,753                     |
| 50      | 166,591                   | -3,061                         | 181,850           | -5,140              | 181,422                   | -3,353                                | 198,039           | -5,632                     | 198,075                   | -3,672                                | 216,218           | -6,167                     |
| 51      | 173,204                   | -3,281                         | 189,068           | -5,511              | 188,590                   | -3,595                                | 205,864           | -6,038                     | 205,883                   | -3,937                                | 224,741           | -6,612                     |
| 52      | 179,915                   | -3,518                         | 196,395           | -5,908              | 195,861                   | -3,855                                | 213,801           | -6,474                     | 213,801                   | -4,222                                | 233,384           | -7,090                     |
| 53      | 186,706                   | -3,772                         | 203,807           | -6,335              | 203,212                   | -4,133                                | 221,825           | -6,942                     | 221,802                   | -4,527                                | 242,118           | -7,602                     |
| 54      | 193,552                   | -4,045                         | 211,280           | -6,794              | 210,618                   | -4,432                                | 229,909           | -7,444                     | 229,860                   | -4,854                                | 250,915           | -8,152                     |
| 55      | 200,426                   | -4,338                         | 218,784           | -7,286              | 218,048                   | -4,754                                | 238,020           | -7,983                     | 237,942                   | -5,206                                | 259,736           | -8,743                     |
| 56      | 207,298                   | -4,653                         | 226,285           | -7,814              | 225,468                   | -5,098                                | 246,120           | -8,562                     | 246,008                   | -5,583                                | 268,541           | -9,377                     |
| 57      | 214,131                   | -4,991                         | 233,744           | -8,381              | 232,838                   | -5,468                                | 254,164           | -9,184                     | 254,014                   | -5,989                                | 277,281           | -10,058                    |
| 58      | 220,884                   | -5,353                         | 241,116           | -8,990              | 240,112                   | -5,866                                | 262,105           | -9,851                     | 261,911                   | -6,424                                | 285,901           | -10,789                    |
| 59      | 227,511                   | -5,743                         | 248,350           | -9,645              | 247,237                   | -6,293                                | 269,883           | -10,569                    | 269,642                   | -6,892                                | 294,339           | -11,575                    |
| 60      | 233,957                   | -6,162                         | 255,386           | -10,348             | 254,156                   | -6,752                                | 277,435           | -11,340                    | 277,139                   | -7,395                                | 302,524           | -12,419                    |
| 61      | 240,162                   | -6,612                         | 262,160           | -11,104             | 260,800                   | -7,246                                | 284,688           | -12,168                    | 284,330                   | -7,936                                | 310,373           | -13,327                    |
| 62      | 246,057                   | -7,096                         | 268,594           | -11,916             | 267,092                   | -7,776                                | 291,557           | -13,059                    | 291,131                   | -8,517                                | 317,797           | -14,303                    |
| 63      | 251,564                   | -7,616                         | 274,606           | -12,790             | 272,948                   | -8,347                                | 297,949           | -14,017                    | 297,445                   | -9,142                                | 324,690           | -15,352                    |
| 64      | 256,595                   | -8,176                         | 280,098           | -13,730             | 278,269                   | -8,960                                | 303,757           | -15,048                    | 303,168                   | -9,814                                | 330,937           | -16,482                    |
| 65      | 261,052                   | -8,778                         | 284,963           | -14,742             | 282,946                   | -9,621                                | 308,863           | -16,157                    | 308,177                   | -10,538                               | 336,405           | -17,697                    |
| 66      | 264,822                   | -9,427                         | 289,079           | -15,831             | 286,857                   | -10,332                               | 313,131           | -17,352                    | 312,339                   | -11,317                               | 340,947           | -19,006                    |
| 67      | 267,782                   | -10,126                        | 292,310           | -17,005             | 289,862                   | -11,099                               | 316,412           | -18,639                    | 315,499                   | -12,157                               | 344,398           | -20,416                    |
| 68      | 269,791                   | -10,879                        | 294,502           | -18,269             | 291,806                   | -11,925                               | 318,534           | -20,026                    | 317,489                   | -13,062                               | 346,569           | -21,936                    |
| 69      | 270,690                   | -11,691                        | 295,484           | -19,633             | 292,516                   | -12,816                               | 319,309           | -21,523                    | 318,115                   | -14,039                               | 347,253           | -23,576                    |
| 70      | 270,303                   | -12,568                        | 295,062           | -21,106             | 291,796                   | -13,778                               | 318,523           | -23,138                    | 317,163                   | -15,093                               | 346,214           | -25,347                    |
| 71      | 268,432                   | -13,515                        | 293,019           | -22,697             | 289,425                   | -14,818                               | 315,935           | -24,885                    | 314,391                   | -16,233                               | 343,188           | -27,261                    |
| 72      | 264,853                   | -14,540                        | 289,112           | -24,418             | 285,157                   | -15,943                               | 311,276           | -26,774                    | 309,527                   | -17,466                               | 337,879           | -29,332                    |
| 73      | 259,315                   | -15,650                        | 283,067           | -26,283             | 278,714                   | -17,162                               | 304,243           | -28,822                    | 302,267                   | -18,803                               | 329,953           | -31,577                    |
| 74      | 251,536                   | -16,855                        | 274,575           | -28,307             | 269,781                   | -18,486                               | 294,495           | -31,045                    | 292,264                   | -20,255                               | 319,034           | -34,016                    |
| 75      | 241,195                   | -18,166                        | 263,287           | -30,598             | 258,012                   | -19,927                               | 281,644           | -33,465                    | 279,129                   | -21,836                               | 304,696           | -36,671                    |
| 76      | 227,929                   | -19,597                        | 248,806           | -32,911             | 242,994                   | -21,501                               | 265,251           | -36,108                    | 262,417                   | -23,563                               | 286,453           | -39,571                    |
| 77      | 211,323                   | -21,165                        | 230,679           | -35,544             | 224,269                   | -23,227                               | 244,811           | -39,008                    | 241,620                   | -25,458                               | 263,751           | -42,754                    |
| 78      |                           | -137,360                       |                   | -230,679            |                           | -145,775                              |                   | -244,811                   | 216,144                   | -27,553                               | 235,941           | -46,272                    |
| 79      |                           |                                |                   |                     |                           |                                       |                   |                            | 185,286                   | -29,892                               | 202,257           | -50,200                    |
| 80      |                           |                                |                   |                     |                           |                                       |                   |                            | 148,178                   | -32,550                               | 161,751           | -54,664                    |
| 81      |                           |                                |                   |                     |                           |                                       |                   |                            | 103,670                   | -35,673                               | 113,166           | -59,908                    |
|         |                           |                                |                   |                     |                           |                                       |                   |                            |                           | -67,386                               |                   | -113,166                   |
| Totals: |                           | \$406,736                      |                   | \$683,064           |                           | \$446,016                             |                   | \$749,030                  |                           | \$526,641                             |                   | \$884,428                  |

# Roth 401(k) MTR Analysis Report

Prepared for

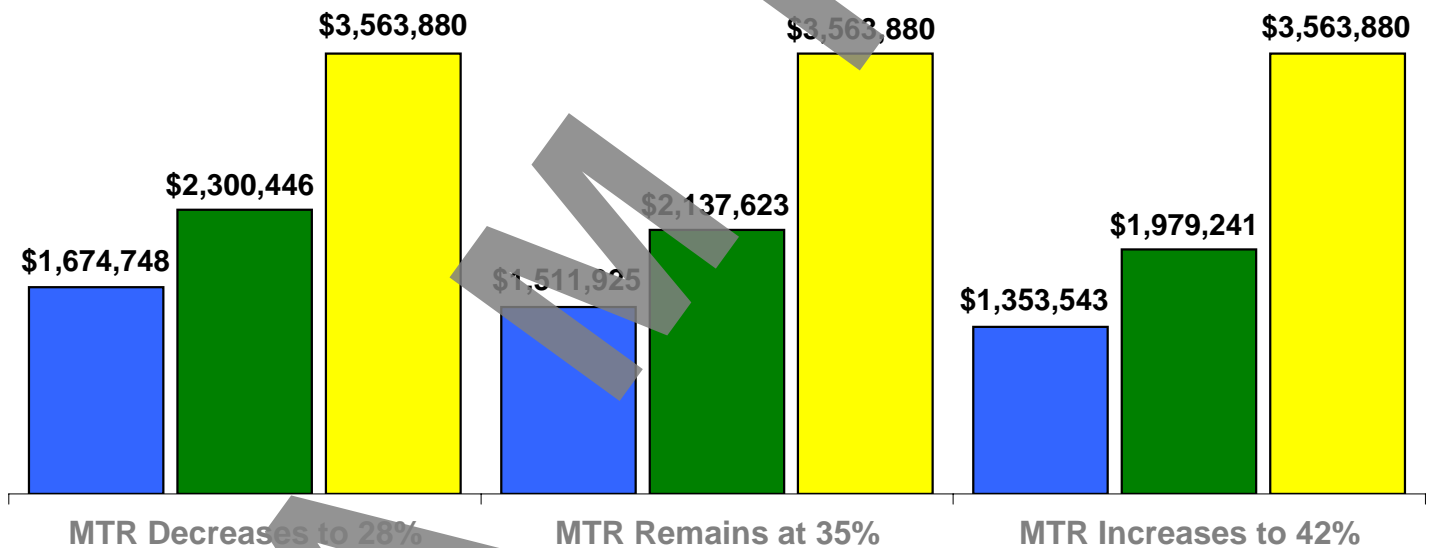
Mr. HCE Owner

## Consider Increasing Your Contribution...

If you believe the Roth option is right for you, consider contributing the same dollar amount you would to the pre-tax option. This increases your gross paycheck reduction and lowers your net paycheck since the Roth is taxed now, not later. The after-tax difference between your gross paycheck reductions is invested in a taxable side fund. A 3% annual cost-of-living increase applies in years 2-5 for maximum contributions.

■ Pre-tax 401(k) Total ■ Pre-tax and Side Fund Total ■ Roth 401(k) Total

**Roth Contribution is the Same as Pre-tax Contribution Shown Below**  
 Assets rolled over to IRA/Roth IRA at Retirement; Pre-tax IRA distributions taxed at MTR indicated; Roth IRA distributions are tax-free



Rate of Return on Investments: 7.00% Retirement Age: 66 Life Expectancy: 81

Annual Gross Paycheck Reduction: Pre-tax 401(k): \$20,000 9.1% Roth 401(k): \$30,769 14.0%

Rate of Return on Side Fund: 5.68% Side Fund Contribution: \$7,000 Side Fund Total: \$625,698

Keep in mind, this graph does not consider contributing a higher amount to the pre-tax option. Therefore, unless you are contributing the maximum allowable contribution to the pre-tax account (\$15,000 plus \$5,000 if age 50 or older), or your contribution is limited by your income or the 401(k) nondiscrimination test, the results shown in this graph may not be pertinent to your situation.



# Roth 401(k) MTR Analysis Report

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| Age     | Non Spouse Ben. #1          |                                |                   |                     | Non Spouse Beneficiary #2   |                        |                   |                            | Non Spouse Beneficiary #3   |                        |                   |                            |
|---------|-----------------------------|--------------------------------|-------------------|---------------------|-----------------------------|------------------------|-------------------|----------------------------|-----------------------------|------------------------|-------------------|----------------------------|
|         | Pre-tax & Side Fund @ 6.35% | Pre-tax Distribution MTR @ 35% | Roth Account @ 7% | Roth Dist. Tax-free | Pre-tax & Side Fund @ 6.35% | Distribution MTR @ 35% | Roth Account @ 7% | Roth Distribution Tax-free | Pre-tax & Side Fund @ 6.35% | Distribution MTR @ 35% | Roth Account @ 7% | Roth Distribution Tax-free |
| 43      |                             |                                |                   |                     |                             |                        |                   |                            | \$208,012                   |                        |                   |                            |
| 44      |                             |                                |                   |                     |                             |                        |                   |                            | 216,539                     |                        |                   |                            |
| 45      |                             |                                |                   |                     | 207,772                     | -3,871                 | 248,000           | -6,121                     | 225,282                     |                        |                   |                            |
| 46      |                             |                                |                   |                     | 216,026                     | -4,129                 | 258,799           | -6,561                     | 234,232                     |                        |                   |                            |
| 47      | 207,522                     | -4,060                         | 247,702           | -6,419              | 224,460                     | -4,405                 | 269,883           | -7,033                     | 243,376                     |                        |                   |                            |
| 48      | 215,491                     | -4,330                         | 258,161           | -6,881              | 233,061                     | -4,699                 | 281,236           | -7,539                     | 252,699                     |                        |                   |                            |
| 49      | 223,604                     | -4,620                         | 268,856           | -7,376              | 241,812                     | -5,013                 | 292,841           | -8,081                     | 262,183                     |                        |                   |                            |
| 50      | 231,841                     | -4,929                         | 279,768           | -7,908              | 250,695                     | -5,349                 | 304,676           | -8,664                     | 271,809                     |                        |                   |                            |
| 51      | 240,183                     | -5,259                         | 290,874           | -8,478              | 259,686                     | -5,707                 | 316,714           | -9,289                     | 281,550                     |                        |                   |                            |
| 52      | 248,606                     | -5,611                         | 302,146           | -9,090              | 268,759                     | -6,091                 | 328,925           | -9,960                     | 291,378                     |                        |                   |                            |
| 53      | 257,082                     | -5,988                         | 313,549           | -9,747              | 277,884                     | -6,500                 | 341,270           | -10,679                    | 301,259                     |                        |                   |                            |
| 54      | 265,579                     | -6,391                         | 325,046           | -10,452             | 287,026                     | -6,938                 | 353,707           | -11,452                    | 311,185                     |                        |                   |                            |
| 55      | 274,061                     | -6,822                         | 336,591           | -11,208             | 296,143                     | -7,407                 | 366,185           | -12,281                    | 321,021                     |                        |                   |                            |
| 56      | 282,486                     | -7,283                         | 348,131           | -12,021             | 305,189                     | -7,907                 | 378,646           | -13,172                    | 330,807                     |                        |                   |                            |
| 57      | 290,805                     | -7,775                         | 359,607           | -12,894             | 314,112                     | -8,443                 | 391,022           | -14,129                    | 340,454                     |                        |                   |                            |
| 58      | 298,964                     | -8,302                         | 370,948           | -13,831             | 322,852                     | -9,016                 | 403,238           | -15,156                    | 349,898                     |                        |                   |                            |
| 59      | 306,902                     | -8,866                         | 382,077           | -14,838             | 331,342                     | -9,630                 | 415,205           | -16,260                    | 359,063                     |                        |                   |                            |
| 60      | 314,550                     | -9,470                         | 392,902           | -15,920             | 339,504                     | -10,286                | 426,824           | -17,446                    | 367,867                     |                        |                   |                            |
| 61      | 321,829                     | -10,116                        | 403,322           | -17,083             | 347,252                     | -10,989                | 437,961           | -18,720                    | 376,214                     |                        |                   |                            |
| 62      | 328,650                     | -10,808                        | 413,222           | -18,333             | 354,489                     | -11,742                | 448,549           | -20,091                    | 383,999                     |                        |                   |                            |
| 63      | 334,915                     | -11,549                        | 422,471           | -19,677             | 361,107                     | -12,548                | 458,382           | -21,565                    | 391,103                     |                        |                   |                            |
| 64      | 340,513                     | -12,343                        | 430,920           | -21,124             | 366,983                     | -13,413                | 467,319           | -23,151                    | 397,391                     |                        |                   |                            |
| 65      | 345,320                     | -13,195                        | 438,404           | -22,680             | 371,981                     | -14,340                | 475,173           | -24,857                    | 402,714                     |                        |                   |                            |
| 66      | 349,196                     | -14,108                        | 444,737           | -24,356             | 375,946                     | -15,334                | 481,740           | -26,695                    | 406,903                     |                        |                   |                            |
| 67      | 351,985                     | -15,089                        | 449,707           | -26,161             | 378,709                     | -16,402                | 486,787           | -28,675                    | 409,773                     |                        |                   |                            |
| 68      | 353,513                     | -16,141                        | 453,080           | -28,107             | 380,077                     | -17,548                | 490,053           | -30,809                    | 411,112                     |                        |                   |                            |
| 69      | 353,586                     | -17,272                        | 454,591           | -30,205             | 379,836                     | -18,780                | 491,245           | -33,112                    | 410,688                     |                        |                   |                            |
| 70      | 351,987                     | -18,489                        | 453,941           | -32,471             | 377,747                     | -20,105                | 490,035           | -35,597                    | 408,237                     |                        |                   |                            |
| 71      | 348,472                     | -19,799                        | 450,798           | -34,919             | 373,544                     | -21,533                | 486,053           | -38,284                    | 403,466                     |                        |                   |                            |
| 72      | 342,769                     | -21,210                        | 444,788           | -37,567             | 366,925                     | -23,072                | 478,886           | -41,191                    | 396,049                     |                        |                   |                            |
| 73      | 334,574                     | -22,734                        | 435,488           | -40,435             | 357,556                     | -24,733                | 468,067           | -44,341                    | 385,616                     |                        |                   |                            |
| 74      | 323,543                     | -24,381                        | 422,423           | -43,549             | 345,059                     | -26,531                | 453,069           | -47,762                    | 371,755                     |                        |                   |                            |
| 75      | 309,291                     | -26,167                        | 405,057           | -46,936             | 329,008                     | -28,481                | 433,299           | -51,485                    | 353,998                     |                        |                   |                            |
| 76      | 291,381                     | -28,109                        | 382,779           | -50,632             | 308,921                     | -30,603                | 408,079           | -55,551                    | 331,816                     |                        |                   |                            |
| 77      | 269,315                     | -30,229                        | 354,890           | -54,683             | 284,246                     | -32,923                | 376,633           | -60,012                    | 304,602                     |                        |                   |                            |
| 78      |                             | -195,352                       |                   | -354,890            |                             | -205,751               |                   | -376,633                   | 271,654                     |                        |                   |                            |
| 79      |                             |                                |                   |                     |                             |                        |                   |                            | 232,138                     |                        |                   |                            |
| 80      |                             |                                |                   |                     |                             |                        |                   |                            | 185,029                     |                        |                   |                            |
| 81      |                             |                                |                   |                     |                             |                        |                   |                            | 128,966                     |                        |                   |                            |
| Totals: |                             | \$596,798                      |                   | \$1,050,867         |                             | \$650,219              |                   | \$1,152,353                |                             | \$758,074              |                   | \$1,360,659                |